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ALADI CONCLUDES 5-DAY MEETING IN ACAPULCO

PA280032 Madrid EFE in Spanish 0400 GMT 27 Jul 86

[Text] Acapulco, 26 Jul (EFE) -- Today in Acapulco ALADI agreed to increase the regional preferential tariff to a maximum of 10 percent and rejected the Mexican Government's proposal to reduce import taxes by 60 percent, thereby allowing protectionism to continue dominating regional markets. For 5 days representatives of the governments of the 11 countries that are members of ALADI (Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela) met in Acapulco to seek new instruments for economic and commercial integration in the area.

The final report, unanimously approved, states that the 10 percent regional preferential tariff, to be implemented on 27 April 1987, includes giving different treatment to the nations with lower relative economic development, especially the Mediterranean [as received] countries. The report also adds that the member-countries agreed to carry out negotiations to eliminate the nontariff restrictions being applied to imports from the region, as well as to establish rules and standards to strengthen the list of open markets that grant exclusive licenses [concesiones] that would favor the growth of their exports.

Supported by Argentina and Brazil, Mexico suggested to the members of ALADI a 60-percent reduction of the regional import taxes in order to achieve a total opening of the Latin American market and the reactivation of trade among the countries of the area. Apparently the countries whose economies are the most depressed opposed this idea and claimed that the absolute release of commercial exchange, especially in basic products, would place their productive and export systems at a disadvantage in regard to the three large countries of the region.

The document approved by the association, a day later than expected, states that the 11 members agreed to promote a regional plan to replace imports, promote the recovery and expansion of regional trade, diminish the exchange imbalance, increase the value of reciprocal trade by 40 percent at the end of a 3-year-period, 1987 to 1989, and maintain its expansion. For its implementation each country will present, no later that 15 October, a list of the products they import from third countries that represent 30 percent of the total value of their foreign purchases from those countries.

Regarding the creation of a unit of account for the region to obtain its liquidity in an autonomous fashion and remove the dollar [desdolarice] from its economy, the report explains that ALADI will draft a plan to create a regional unit of account that will be used basically for financing the balance owed resulting from the multilateral compensation of the agreement for reciprocal payment and loans that the 11 central banks of the member countries maintain.

ALFONSIN WELCOMES BRAZIL'S SARNEY AT AIRPORT

PY282000 Buenos Aires TELAM in Spanish 1527 GMT 28 Jul 86

[Text] Buenos Aires, 28 Jul (TELAM) -- Upon the arrival of Brazilian President Jose Sarney at the Buenos Aires metropolitan airport, President Raul Alfonsin said that never before in the history of our two nations have we shared so many common national objectives as we do today. Alfonsin said that these objectives are shown in our will to define an overall policy of economic growth. This is part of the message that Alfonsin read at the metropolitan airport. The following is the text of that message:

"In the name of the Argentine people I hereby express our pleasure in welcoming your excellency. We extend to you our cordial, fraternal and warm greetings.

"All the national sectors have witnessed with pleasure the evolution of Brazilian politics, which has consecrated the full enforcement of freedom and democracy in your great country.

"This political transformation was carried out with your guidance, your excellency. You are a man whom the international community recognizes as a great statesman.

"Your excellency has conducted with extreme prudence, with courage and determination the political life and destiny of Brazil.

"Mr President: In the name of the Argentine people, I want to take this opportunity to thank you for the message you sent to the Argentine people. This message, which was broadcast by the Argentine media, moved all Argentine men and women.

"I would also like to tell you that the Argentine people are awaiting with great expectation the results of our negotiations because they are aware of the historic significance of this visit.

"Through your visit we shall be able to implement, through specific and positive actions, the economic integration and cooperation program between the Republic of Argentine and the Federative Republic of Brazil, a desire that was expressed in the Iguazu Declaration.

"In Iguazu, we were able to see for ourselves that our two countries are fraternally united in their practice of peace, freedom, justice and democracy; as well as in their scrupulous implementation of human rights. All this unites us and allows us to visualize a common future.

"Never before in the history of our two nations have we shared as many common objectives as we do today. This is evidence of our will to define an overall policy for economic growth.

"During the months that preceeded your visit, our governments have worked intensely to define those policies that would allow us to take the first step toward achieving the economic integration of our two nations.

"Our countries agree that economic growth must be based on the social development of our communities and that all our joint efforts within this context must seek to achieve the well-being our two nations. We are experiencing unprecedented times in our bilateral relations. Through permanent consultations we have developed a fluid dialogue, coordinating positions on joint initiatives at the bilateral, regional, and international levels, as is evident from the agreements that we have achieved and in our joint work in various international forums.

"Mr President: We must confront today's problems and future challenges. The present international situation imposes on us limitations such as recession, the unpredictability of the financial system, the burden of the servicing of the foreign debts that loom over our economies, and the deterioration of terms of trade. All this brings us closer together and places us on the path that will allow us to find our own solutions as is shown through the original answers with which Brazil and Argentina are successfully meeting the establishment of our economic systems.

"In the same manner, the crisis affecting our region is showing us the need to deepen those mechanisms that lead to the consolidation of an integration process.

"We share a common destiny in which we are determined to have a protagonistic role.

"I want to reassert my pleasure in welcoming your excellency and the distinguished members of your entourage and to say that I am certain that your visit will allow us to strengthen the ties of friendship that unite our two countries and that together we shall be able to implement the commitment we have made to guide our efforts, to be able to grow together, and thus to be able to confront the challenges of the 21st century together. Welcome to Argentina, Mr President."

Sarney Responds

PY281526 Buenos Aires TELAM in Spanish 1406 GMT 28 Jul 86

[Text] Buenos Aires, 28 Jul (TELAM) -- Upon his arrival in Argentina, Brazilian President Jose Sarney today said that an atmosphere of friendship and great expectations surround his visit.

In response to the wlecoming speech speech delivered by Argentine President Alfonsin, Sarney said at the metropolitan airport that these repeated meetings enrich a friendship which he considers a privilege and through which it has been possible to achieve the integration of the two countries.

Sarney described the present meeting as a meeting for the construction of something new, and he said that this makes us all participants in that "fervor of Buenos Aires" that was described by Borges. He added that our nations are rediscovering their deepest identities. We are today united as never before, and today we are sharing opportunities as never before.

ALFONSIN SEES NEED FOR L.A. COMMON MARKET

PY281955 Buenos Aires TELAM in Spanish 1736 GMT 27 Jul 86

[Text] General Villegas, 27 Jul (TELAM) -- President Raul Alfonsin has said that Latin America shares not only languages and history, it also shares problems which condemn us to stagnation and backwardness, but it also holds a common future for which we want to find different paths and formulas.

The chief of state made this statement from the city hall balcony in town of General Villegas, northeast Buenos Aires Province, while presiding over the celebration of the district's 100th anniversary. The president addressed a large crowd of people concentrated in the Conrado Villegas square in front of the city hall.

The local mayor, Alberto Ballari, and acting Buenos Aires Province Governor Elva Roulet addressed the public before President Alfonsin.

Alfonsin said that together with Brazil and Uruguay, we have started to carefully and conscienciously plan a common Latin American market, so that we will all know that within our great Latin American nation we can find real possibilities for our development and the consolidation of social justice.

He called for a joint effort to increase production and end speculation, thus avoiding financial chaos. This effort, he said, would start consolidating Argentina's possibility for a democratic and free system.

Alfonsin also said that we must find, as we did 100 years ago, the way to reconcile all Argentines, without distinction, to try to consolidate this democracy and justice, so that everyone will get what he deserves based on his efforts. It must be understood that the poorest sectors, which have made the greatest efforts, should be rewarded by society.

Alfonsin said that Latin American integration is not just a convenience but an absolute necessity which, thank God, has been understood by the people of brother nations, and we are now seeking together the political solutions that will strengthen and guarantee peace, such as the Contadora Group initiative. Sometimes when seeking other types of economic and social solutions the creditor countries choose to regard the foreign debt from a political viewpoint, such as the case of the Cartagena Consensus.

He added that we Latin American presidents will meet to try to convince everyone that it is necessary to have economic elbow room in today's world. He also mentioned that we must visit the socialist countries because Argentina has matured and does not fear talking with anyone.

Alfonsin stated that we must struggle to regain Argentina's place in the world, no longer seeking a new port from where we can ship our raw materials in the search for European markets. We must diversify those markets and our exports. We must work together to regain Argentina's place in the world. He said that we want to achieve this and feel the people's support, first in our search for Argentina's traditional place in Latin America, and also with the United States and Europe, always pointing out the need to find a new international economic order that would bring universal justice, which is the only guarantee for universal peace.

President Alfonsin was speaking at a luncheon attended by 4,500 people at a privately owned cereal plant.

AIRLINE RESUMES DOMESTIC FLIGHTS 26 JULY

PY261905 Buenos Aires TELAM in Spanish 1302 GMT 26 Jul 86

[Excerpt] Buenos Aires, 26 Jul (TELAM) -- Aerolineas Argentinas this morning resumed its domestic flights with only minor changes in established schedules. For the first time since the lengthy stoppage by the pilots trade union organization, all the flights are being handled by Aerolineas Argentinas personnel.

The airline's information office today announced that today's service includes 39 flights, 17 of them already scheduled as part of the emergency schedule being operated by LADE [State Airlines] personnel and 21 [as received] additional flights [passage omitted]

U.S. TROOPS, GENERAL CONSULTATION CAUSE UNREST

PY252004 Paris AFP in Spanish 1458 GMT 25 Jul 86

[By Eduardo Paz]

[Excerpt] La Paz, 25 Jul (AFP) -- Local experts remarked today that the presence in Bolivia of U.S. troops fighting drug traffic in the northeast and the general consultation aimed at learning the people's opinion about government economic policies has exacerbated social unrest throughout Bolivia. Several Army light tanks on the streets, the stepping up of security measures near Government House, and planes flying at low altitude have awakened concern among the population of the capital.

The labor leaders were the first to react. Juan Lechin Oquendo, top leader of the Bolivian Labor Confederation (COB), said here today that the Bolivian people must state their positin on the need to defend the fatherland and oppose the impositions of imperialists. Lechin Oquendo stressed that the Bolivian workers oppose the presence of U.S. troops in the northeast, the government's decision to pay the foreign debt, and the new tax law.

Lechin Oquendo added that the current government, violating the Constitution, has asked the U.S. imperialists to send their Army to invade us and to set up military bases under the pretext of an antinarcotics campaign, thus allowing the U.S. Army to conduct secret operations on Bolivian territory.

Lechin went on to say that the arrival of 160 U.S. soldiers, several helicopters, and sophisticated equipment imply the collapse of the national state, a genocide against the Bolivian people, and the enslavement of the nation's sovereignty.

As for the general consultation that is taking place throughout the country today, Lechin said that the people have the democratic right to voice their opinion on main issues such as the foreign debt and tax reform. According to Lechin the new tax law is a mechanism to obtain funds from the Bolivian people and send this money to industrial countries in keeping with the slave mentality personified by President Victor Paz Estenssoro. [passage omitted]

Plague Blamed on U.S. Army

PY281725 Paris AFP in Spanish 0530 GMT 25 Jul 86

[By Oscar Paz]

[Excerpt] For thousands of years coca leaves have been free from diseases. Today, however, they are being attacked and destroyed by an insect that is locally called sica. Some people have jokingly wondered whether this insect could be to coca what AIDS is to man. The fact is that the sica, a lepidopteran insect, has invaded thousands of hectares of land in the Chapare region (in Central Bolivia) and has destroyed coca leaves, which were regarded as sacred by the Incas. This butterfly-shaped insect is essentially a sucker that weakens the coca stems and destroys its leaves slowly by absorbing its sap.

Peasants have found it strange that the coca tree, which is a very resistant tropical plant, is being attacked and destroyed by such a little-known insect. Some people believe that U.S. Army personnel could have introduced this insect during the joint military exercises held in April-May in order to destroy the nearly 40,000 hectares of coca plantations in the region.

Hugo Zelada, director for vegetal health of the Campesino Affairs Ministry, has denied these rumors and has said that this insect has appeared from time to time and that its population is directly related to the size of the crop. He added that it is just a coincidence that the plague has appeared while U.S. military personnel are in the country. [passage omitted]

Campaign Temporarily Suspended

PY280325 Madrid EFE in Spanish 2326 GMT 27 Jul 86

[Text] Santa Cruz del Sierra, 27 Jul (EFE) -- The antidrug trafficking actions that were being carried out in this eastern Bolivian district, east of La Paz, have been temporarily suspended by order of the Interior Ministry. It was said that this measure was adopted to allow an evaluation of the achievement obtained in so far.

The most import event of this campaign was the arrest of 13 Bolivian citizens, a Chilean, and an Argentine on 17 July. These 15 persons, accused of drug trafficking, are being investigated, and it is thought that the results will be known in a month.

Meanwhile, it was announced in La Paz that Interior Under Secretary Guido Meruvia will arrive in Santa Cruz on 28 July. It was reported that Meruvia will hold meetings with the Santa Cruz antidrug-trafficking police and district authorities.

U.S. Troop Withdrawal Demanded

PY281658 La Paz La Red Panamericana in Spanish 1130 GMT 28 Jul 86

[Text] A note signed by more than 50 labor leaders, university professors, and deans of various universities was released a few hours ago demanding the immediate withdrawal of U.S. troops from Bolivia. Those who signed the document express their resolve to resort to all constitutional means possible to reestablish national dignity. The signatures, which are headed by that of Juan Lechin, express the agreement of the leftist groups to oppose U.S. intervention in the fight against drug trafficking.

MINING GROUP 'FRUSTRATED' AT U.S. ANTIMONY SALES

PY261419 La Paz La Red Panamericana in Spanish 1130 GMT 26 Jul 86

[Text] The response of the U.S. diplomatic mission concerning antimony sales by the "General Services Administration" [in English] has frustrated the National Mining Chamber, which had planned to petition the government of Ronald Reagan requesting suspension of the sales. The U.S. response confirms an article published in the May 1986 issue of the publication METALS WEEK, which reported the sale of the mineral reserves.

The National Mining Chamber has insisted that negotiations be conducted with the White House and the U.S. Congress, noting that the General Services Administration is just a decentralization agency with no decision-making power to sell or not to sell its reserves.

Given this situation the National Mining Chamber is insisting on a specific official response both in Bolivia and in the United States.

The private mining group will continue negotiating the suspension of the sale of antimony and tungsten reserves.

SARNEY, ENTOURAGE LEAVE FOR BUENOS AIRES

PY281409 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 28 Jul 86

[Text] President Jose Sarney is already traveling to Buenos Aires. He left the Brasilia Air Base at 0655, after having transferred the Presidency to Senator Jose Fragelli, president of the Senate.

[Begin Reporter Glaucio Veloso relay] President Jose Sarney and the delegation that will accompany him during his 3-day visit to Buenos Aires have boarded their plane here at the Brasilia Air Base. Sarney transferred his office a few minutes ago, and Senate President Jose Fragelli is now acting president.

Sarney's trip to Argentina has been organized by the Sarney and Alfonsin administrations with great pomp. The two countries intend to assume internationally the commitments recently made in the Cruzado and Austral Plans. The two nations will also take advantage of their historic transition to democracy to revamp their bilateral relations, which have been very limited over the past 20 years. During their meeting, the two South American presidents will sign agreements on the purchase of wheat by Brazil; the creation of a buffer foodstuff stock to complement supply; the complementation of the machinery industry; the creation of binational enterprises; the financing of reciprocal payments; and cooperation in the energy area, particularly in the areas of gas and oil, as well as the expansion of bilateral trade.

The two governments will basically act as regulators of these agreements because the initiatives will be essentially taken by private groups. For that reason, 100 businessmen chosen by Itamaraty are traveling to Buenos Aires with President Sarney. Although Uruguayan President Julio Sanguinetti will participate in the meetings in Argentina, no agreement involving Uruguay will be signed.

The Brazilian ministers of foreign affairs, justice, finance, agriculture, education, industry and commerce, and the chief of the Armed Forces General Staff are accompanying President Sarney on his visit to Argentina, along with congressmen, representatives of state enterprises, and others. [end relay]

LAND REFORM BILL BENEFITS MORE FAMILIES

PY282033 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 28 Jul 86

[Excerpts] The new land reform package signed by President Sarney yesterday expropriated land in 12 states. The new expropriation will benefit 5,217 families and will mostly affect the states where there are conflicts over land, as in the case of Parana, Rio Grande do Sul, Santa Catarina, Mato Grosso, Mato Grosso do Sul, and the Bico do Papagaio region. This land reform package was signed yesterday by President Sarney after a 4-hour meeting on 26 July with Land Reform Minister Dante de Oliveira.

The greatest number of properties have been expropriated in Para State, where a total of 11 properties will be used to settle 473 families. Minister Dante de Oliveira has commented on how these families will be settled and has guaranteed that there are sufficient funds to implement the land reform. [passage omitted]

With this new package, President Sarney's government has made a total of 250 expropriations involving 250,000 hectares. Eight thousand families are in the process of being settled, while 40,000 other families are waiting their turn.

FUNARO DISCUSSES PAYMENT OF FOREIGN DEBT

PY280338 Madrid EFE in Spanish 1647 GMT 27 Jul 86

[Text] Sao Paulo, 27 Jul (EFE) -- Finance Minister Dilson Funaro has announced that the Brazilian Government will modify the payment conditions of its $103-billion foreign debt. The changes in his foreign economic policy are connected with the payment of $31 billion pending on interests and capital.

Funaro told reporters that the renegotiation of the $31 billion started after Brazil managed to reach an agreement with the committee of creditor banks in New York for the rescheduling of the debt in arrears. Funaro said he considered reaching this agreement a success, because Brazil has thus managed to stop being controlled by the IMF. He pointed out that Brazila obtained from the creditor banks a 1.125-percent spread [tasa de riesgo], the lowest ever obtained by a debtor country, except for Mexico. In conclusion, the finance minister said that "Brazil can no longer continue sending 5 percent of its GDP abroad only to pay debts with the creditor banks."

SOUTH AFRICA'S TUTU MAY VISIT 'IN EARLY 1987'

PY251852 Paris AFP in Spanish 2208 GMT 24 Jul 86

[Text] Brasilia, 24 Jul (AFP) -- A Foreign Ministry communique published today in Brasilia states that the Brazilian Government has officially invited Archbishop Desmond Tutu, Nobel Peace Prize laureate and the primate of the South African Angelican Church, to visit Brazil. The source reported that Archbishop Tutu has accepted the invitation and might travel to Brazil in early 1987. The communique states that this official invitation is part of the Brazilian Government's policy of condemning the detestable apartheid regime and expressing solidarity with the South African patriots who are struggling to establish a more just society in South Africa without the stigma of racism.

SURVEILLANCE CONTINUES ON BOLIVIAN BORDER

PY270319 Madrid EFE in Spanish 1625 GMT 26 Jul 86

[Text] Porto Velho, 26 Jul (EFE) -- Federal Police Director Romeu Tuma has said that cocaine has become the normal "currency" for stolen car transactions along the Bolivian-Brazilian border. Tuma has observed the main areas along the Bolivian-Brazilian border, where the Army and police have reinforced surveillance to prevent the escape of drug traffickers, who are being pursued by Bolivian-U.S. military forces. Tuma revealed that thieves quote prices on cars stolen in Brazil, in kilograms of cocaine and that Bolivians go to the border to buy the stolen cars. Tuma is convinced that the drug traffickers who operate in Bolivia have not entered Brazilian territory. He added that the Brazilian and U.S. Governments have begun talks to sign a new antidrug agreement, because the existing accord will expire in March. The Brazilian Armed Forces and military police, who are closely following the antidrug operation under way in the Bolivian jungle along the Brazilian border, are trying to prevent Bolivian traffickers from entering Brazilian territory.

FURTHER EYEWITNESS REPORT ON TORCHING CASE

PY251748 Santiago ANALISIS in Spanish 22-28 Jul 86 pp 21, 22, 23

[By Patricia Collyer]

[Excerpt] [Passage omitted] Last week eyewitnesses told Judge Echavarria what they saw on 2 July. ANALISIS interviewed one of them just after he gave his testimony. Frightened, he asked to remain anonymous, "because not even by family knows about the nightmare I have been through," J said.

J is a worker who was walking to his job along 8 de Enero Street, near the corner of General Velazquez Street, on 2 July. "Suddenly, someone told me that it seemed some youngsters had been detained. So I walked quickly to see if I knew them. I went down Velazquez Street, and as I reached Hernan Rungue Street I heard shouts, desperate cries. I though that the detained individuals were probably being beaten there so I stopped behind a lamp post on that corner and watched. It was horrible because there were 2 youths standing, burning, surrounded by some 30 military men. I saw a military truck with a canvass top, and two pickup trucks, also military, one blue and the other cream-colored. The men in the truck wore caps, and those in the pickup trucks wore helmuts. I stood still and could hardly breathe. They did not see me, but I saw them. And I saw what they were doing. It was like a celebration, they seemed to enjoy the show; some laughed while the youths were burning alive. I felt terribly desperate and helpless, and I thought: What can I do alone? At that moment, another girl who lives in the neighborhood appeared, and I told her: 'Look how these bastards are burning those youngsters!' I thought it would have been better to kill them than to make them suffer that way."

He went on: "The girl who had arrived left horrified, and at that moment they saw me. The one who seemed to be the chief, because he gave everyone orders, saw me and shouted: 'Run, you son of a bitch! Or do you want me to kill you too? He was wearing a military cap and over it a black cap with ear flaps like that of the 'Chavo del 8' [Mexican television series character]. I reacted and crossed the street. I continued to observe for a little longer. I was not the only one, because, since there were no buses that day, many people had gathered at the bus stop. The people at the kiosk also saw everything, but no one knew what to do. They were shocked." He added that later the burning youths fell to the ground, and some military men brought a blanket from the truck and wrapped them. "I could see how the truck backed up so that they could lift the woman's body onto it. I did not see where they threw the young man." J said he tried to tell a priest what he had seen but "could not find one. Then I left for work. When I returned that afternoon, I heard that the girl was Carmen Gloria, whom I knew. When Rodrigo died, I decided to overcome my fear and present myself as a witness."

J said that at the court, Judge Echavarria asked him why he was sure that the ones he had seen were military men. "All I could say was that 'it was obvious because of the truck and the weapons.' Besides, I have been in the Army and know the military vehicles and weapons. And how many times have we seen them in the shantytowns during protest days!" But, he concluded, "the judge did not seem to pay much attention to what I said. He would forget what I said and make me repeat the same things over and over again." [passage omitted]

Civic Assembly Statement

PY262108 Madrid EFE in Spanish 1853 GMT 26 Jul 86

[Text] Santiago, 26 Jul (EFE) -- The National Civic Assembly [ANC] today released a statement charging that "the decisions issued by the courts are indredible" and that "the three branches of government are in a deep and irreversible crisis." The statement was read by acting ANC Coordinator Dr Ricardo Vacarezza.

Fourteen members of the board of the ANC, an opposition organization, have been in jail for 3 weeks. The government holds then responsible for the general strike of 2 and 3 July and for the 8 deaths and approximately 100 injuries which occurred during the stoppage.

The ANC statement refers to the latest events, particularly the cases of youths Rodrigo Rojas and Carmen Gloria Quintana who, according to eyewitnesses and relatives, were beaten and burned by an Army patrol. Rojas died, and Quintana remains in serious condition.

The statement also refers to a recent resolution by special Judge Alberto Echavarria, who released 24 of the 25 Armed Forces members who had been placed at his disposal for their alleged responsibility in the cases of the youths. The judge decided to prosecute only the patrol commander on charges of manslaughter (omission or negligence). The judge also passed jurisdiction of the case to the military courts.

"One needs no words to express the feelings of horror in the country, at least of civilians," the ANC statement says. "To burn a human being, no matter how or to what degree, is a crime against humanity that shocks our conscience," the statement concludes.

JAILED CIVIC ASSEMBLY LEADERS RELEASE LETTER

PY272157 Madrid EFE in Spanish 2130 GMT 26 Jul 86

[Text] Santiago, 26 Jul (EFE) -- The 14 National Civic Assembly [ANC] leaders who have been in jail for 3 weeks today released a "letter to Chileans," in which they say that "Chile stands on the tragic threshold of war or peace." In their letter, which is addressed to both civilians and the military, the ANC leaders state that "we must assume our responsibility and give the contribution that our fatherland demands from us in this dramatic hour." They add that "this is the time for each and every one of us to assume his responsibility and take the path leading to freedom in each neighborhood, village, and shantytown."

The members of the ANC, the largest opposition organization created since the coup of 11 September 1973, when General Augusto Pinochet took power, are being held responsible for the general stoppage of 2 and 3 July and for the incidents in which 8 people died and some 100 were wounded. The charges were leveled by the government. In their letter, the ANC leaders state that "this letter was written inside the prison with a feeling that we know you are sharing with us: Our fatherland is being destroyed."

"All of us have been bewildered by unemployment, starvation, misery, the unanswered situation of the missing detainees, the systematic vilation of our dignity, and the horror caused by the barbarous burning of two youths at the hands of Chilean citizens.

"When will our capacity to be astonished become exhausted? What other crimes are necessary for us to assume responsibility for our own future?

"There has been a systematic effort to destroy the spirit of solidarity of our people. Today Chile stands at the tragic threshold of war or peace.

"And this conflict demands our reaction now!

"It is essential that no more crimes occur in our country, that no more imprisonments of innocent people take place without being met by our call which will continue until they are free; that no more Chileans starve to death, or whole families be destroyed without a hand being lifted to held. We must change this unfair situation."

WOMEN MARCHING TO NUNCIATURE ARRESTED, RELEASED

PY251957 Madrid EFE in Spanish 1433 GMT 25 Jul 86

[Text] Santiago, 25 Jul (EFE) -- Nearly 60 people, most of them women, who were arrested in the Chilean capital while marching toward the apostolic nunciature to deliver a "letter addressed to the pope" were set free this morning. Known as the "Women for Life" movement, the group of hundreds of women went yesterday, Thursday, to 11 de Septiembre Avenue. From there they marched toward the apostolic nunciature with lit candles, forming a chain of candles on that important Santiago avenue.

While groups of women attempted to reach the nunciature, others changed the traffic signs, "renaming" the avenue named for the day General Pinochet took power to "4 de Septiembre Avenue," after the day on which, every 6 years, Chileans traditionally went to the polls to choose the president of the republic. The demonstrators were pushed back by Carabineros using water cannons and tear-gas canisters. The group of leaders of the "Women for Life" movement managed to make it to the nunciature and deliver their "letter to the pope," in which they denounced "what is happening in Chile, which has culminated in the torching of two youths, and the harassment and arrest of trade union and student leaders," one of the signatories explained. Nearly 30 people were arrested around the apostolic nunciature building.

SANTIAGO ARCHBISHOPRIC CONDEMNS BOMB ATTACK

PY261834 Santiago Domestic Service in Spanish 1700 GMT 26 Jul 86

[Text] The Santiago Archbishopric has expressed amazement and repugnance at last night's terrorist attack in the downtown Almeda Avenue. The Santiago Archbishopric this morning stated its amazement and deep repugnance at the terrorist attack that occured last night in downtown Santiago. As is known, that cowardly and criminal attack caused injuries to several dozen innocent and peaceful people, who were waiting for buses at the busy corner of Alameda and Teatinos Street.

The Santiago Archbishopric has released a short statement on the event which says: In view of the worrisome situation of violence affecting our country, this Archbishopric repeats its urgent call for an end to such terrorist actions, and for sincere efforts to achieve the social peace all Chileans are hoping for.

Santiago Cardinal Archbishop Juan Francisco Fresno made an appeal to the Supreme Court to use all necessary means to reach a successful conclusion of its investigations, among which is the case of the two youths burned on 2 July during the peaceful protest staged by the self-styled National Civic Assembly.

VEGA URIBE URGES END TO VIOLENCE, TERRORISM

PA280036 Bogota Cadena Radial Super in Spanish 1730 GMT 26 Jul 86

[Text] Defense Minister General Miguel Vega Uribe has said that the country is tired of so much violence and terrorism and has decided to cooperate with the military forces to guarantee security, the institutional order of the country, and the tranquillity of the Colombians.

The high-ranking officer referred to the death of the well-known guerrilla leader of the M-19, Gustavo Arias Londono, alias "Boris," and said that he who sows violence will meet a violent death, as was the case with this subversive element who caused the most deaths within the police and Army.

Vega Uribe said that peace is everyone,s goal the Armed Forces are not the sole preservers of peace. It is actually a commitment of all well-intentioned people who want to see progress and brotherly love in their nation.

The minister of defense visited Cali, where he accompanied President Belisario Betancur to the ceremonies marking the 450th anniversary of the founding of the capital of Valle Del Cauca Department and visited some sectors where the Army has been conducting public works to help the community. Cali has been a target of violence and guerrilla action.

POLICE RECOVER STOLEN DYNAMITE, SUSPECT M-19

PA270035 Bogota Cadena Radial Super in Spanish 1730 GMT 26 Jul 86

[Text] Cali -- Several operations are being conducted by the authorities in various regions of El Valle Department to arrest the people responsible for the theft of 80 boxes of dynamite -- 75 of which were recently recovered by the police.

The dynamite had been stolen from a cement factory, reportedly by M-19 members this situation provoked concern in the Armed Forces, given the use that might be made of the dynamite. The rebel organization recently announced a series of attacks on military installations in various regions of the country.

BRIEFS

AMBASSADOR TO ISRAEL -- Lazar Gilinski, the new Colombian ambassador to Israel, has presented his credentials to Israeli President Hayim Herzog. [Summary] [Bogota EL TIEMPO in Spanish 17 Jul 86 p 11 C PA]

NEW CHILEAN AMBASSADOR -- Alvaro Salvadores has been appointed new Chilean ambassador to Colombia. [Summary] [Bogota EL TIEMPO in Spanish 18 Jul 86 p 8 A PA]

NEW AMBASSADORS -- The following ambassadors have presented their credentials to President Belisario Betancur: Javier Pulgar-Vidal of Peru, Saoud Bin Salim Bin Hassan Al-Asi of Oman; and Joussef Fassi Fihri of Morocco. [Excerpt] [Bogota EL TIEMPO in Spanish 11 Jul 86 p 8 A PA]

DEFENSE MINISTER DISCUSSES TALKS WITH GELBARD

PY252010 Asuncion EL DIARIO in Spanish 24 Jul 86 p 13

[Text] The defense minister, Division General Gaspar German Martinez, said at the palace yesterday, in response to a question about the meeting with Department of State envoy Robert Gelbard: "We have not requested military support from the United States."

Gen Martinez had attended a meeting of the National Council of Economic Coordination. At the end of the session the minister said, in reply to a question, that no new proposals have been made to the United States in the field of military cooperation.

"Is there a need for more support?" the minister was asked. He replied:

"No, no. He didn't promise anything, and we did not ask for anything."

"Did Gelbard show any particular concern?" the minister was then asked. He answered:

"No, he just asked about the present condition of the Armed Forces and nothing else."

"What is the extent of U.S. cooperation in military matters?" he was asked. He said:

"From $50,000 to $70,000 annually. It is for English-language instruction and for electronic equipment. Nothing more. That is all the aid," concluded Gen Martinez.

Reactions to Visit

PY280219 [Editorial Report] Asuncion HOY in Spanish on 23 July on page 8 carries a 100-word item on statements by Miguel Abdon Saguier, political secretary for the Authentic Radical Liberal Party [PLRA] on the visit to Paraguay by U.S. Deputy Assistant Secretary of State for South America Robert S. Gelbard. Abdon Saguier stated that Gelbard's visit "is probably the most important political event of the month," and that according to what Gelbard told him "he brings a clear message from the U.S. people's and President Reagan's stance regarding democracy and human rights." But Saguier noted that "if we, Paraguayan citizens ourselves, do not carry out our political opening, no foreign stance is of any use to us.

A 600-word HOY editorial entitled "A Fraternal Mission," published in the same edition on page 10, notes that Gelbard's visit allows the two countries to review their relations within a "framework of friendship and good intentions." It then notes that Paraguay's development has been greatly helped by U.S. cooperation and that although the two countries have always shared common points of view on international issues "different points of view regarding some issues mainly related to Paraguayan domestic affairs have started to surface in the past few years." Stating that "by tradition, U.S.-Paraguayan relations have been friendly and fruitful," it is hoped that the latest events "will only contribute to strengthening this tradition."

The editorial ends by saying that "the special envoy's visit should be interpreted within that context. That is, as an initiative to identify those obstacles, if they exist, that prevent relations from being maintained at their best level."

Asuncion EL DIARIO in Spanish on 24 July on page 13 in a 450-word item reports that Ruben Stanley, vice president of the Chamber of Deputies, stated that "Robert Gelbard came to the country to try to sound out the opinion of the people, but he will give his final opinion in his country." The Colorado Party deputy also added that "the meeting held here, at the Chamber of Deputies, could not have been more auspicious. He heard what he wanted to hear from the opposition and the government members." Stanley ended by noting that 1 day is not enough to have a good picture of the situation in our country and that "he, naturally, voiced his concern over the situation in our country and even insinuated the need for a greater political opening, but that, of course, is for us to decide."

The same report notes that Education Minister Carlos Ortiz Ramirez said that Gelbard "showed a good disposition regarding our government's policy" and that he believes that the U.S. visitor came with good intentions."

Asuncion newspaper ULTIMA HORA in Spanish on 24 July on page 10 carries a 350-word item on statements by Senator Manuel Frutos Pane, member of the Colorado Party Executive Board, who said that "Mr Gelbard took the wrong end of the stick, failing to refer to the main issue, that is to the pluralist democratic process and the Paraguayan citizens' right to vote freely." He goes on to state that Gelbard did not take into account the sociopolitical changes, as well as the economic growth which the country is experiencing, and referred only to isolated events which have been distorted by the opposition, which seeks support from abroad. Frutos ends by stating that this gentleman seems to have come to inform himself through those who are opposing the government through an internal and international campaign. However, "some of Mr Gelbard's statements reveal that his general impression of Paraguay is good, with some exceptions."

Asuncion LA TARDE in Spanish on 24 July on page 8 carries a 450-word editorial entitled "Gelbard Mission: Expected Results," praising the U.S. government's initiative to appoint such a distinguished person to visit Paraguay to jointly review the two countries' relations. The editorial then states that on this occasion Gelbard had the opportunity to meet with all sectors and voices its hope that "with these objective elements, the relations between the two nations will be able to move toward a better coexistence, under common principles and interests on regional and international issues." The editorial points out that the surfacing of disagreements is only natural in such a long relationship, where "one cannot always expect common criteria and objectives," noting that the important thing is the will to overcome disagreements through frank dialogue. The editorial hopes that this frank dialogue "between national authorities and U.S. representatives took place during Gelbard's visit to Paraguay" and that they will "result in the improvement of the fraternal understanding that has existed for many years between the two countries." It ends by stating that the results will not be spectacular, but that it is "certain that clear and firm grounds have been established to give the mutual friendship and cooperation a new and lasting impulse, which is fundamental for a relationship destined to project itself toward the future."

Asuncion ULTIMA HORA in Spanish on 24 July on page 14 carries an approximately 600-word editorial entitled "The Visit Paid to Our Country by a High-Ranking U.S. Official." The editorial refers to the statement by Gelbard at the end of his visit, pointing out that "it cannot be regarded as exclusively personal, because it also allegedly reveals the U.S. Government's opinion on the Paraguayan political situation." The article then goes on to note that from what the U.S. representative has stated, one gets the "idea that the U.S. Government is concerned about our immediate future." After quoting some of Gelbard's statement it is noted that "an intention lies behind these statements, because in diplomacy and politics statements always carry an implicit intention, in our case that development capable of giving signs of a greater democratic opening take place." The editorial then mentions human rights, freedom of expression, and freedom of assembly as the expected developments. The commentary notes the justified U.S. interest in a democratic opening in our country. It also notes that our country is not plagued by extremism, as are other countries, but that there is a fear that the obstacles "which democracy is facing in our country may create the political, social, and economic conditions to generate violence."

The editorial ends by stating that although "there is nothing more undesirable than to have someone from abroad come and tell us what to do, we must agree that we live in an era of complete interdependency and that it is a patriotic duty to create conditions so that no one may come and criticize us or give us advice. It is undoubtedly up to us to see that no one in the future will tell us what to do to live in democracy."

Asuncion EL DIARIO in Spanish on 25 July on page 12 in a 250-word item reports that PLRA leader Juan Carlos Zaldivar stated that "in my opinion, Gelbard's visit to our country was very positive," noting that they were very frank with him as they had said they would be and that Gelbard "has a very good picture of Paraguayan reality and of what should be done to enable the peaceful democratic transition that we all desire to take place."

On the same page, EL DIARIO carries a 150-word item on statements by Joaquin Atilio Burgos, leader of the Liberal Party, who hopes that during his visit Gelbard learned about the Paraguayan situation and that he will inform his superiors so that the "current state of the Paraguayan Government be made known and those people issue a report and voice their opinion on the Paraguayan democracy." Burgos termed the visit highly positive for our country because it is quite likely that through it "we will obtain the opening of the process which is currently closed to the opposition." He ended by noting that the United States is perfectly aware of our reality because it has people working especially to keep them informed.

Asuncion PATRIA in Spanish on 25 July 1986 on page 7 carries a 1,200-word editorial entitled "Neither Serious Not Offensive Results." The editorial points out the fortune of those countries where the criticisms of observers are based only on "small sins" compared to the "confusing and bloody incidents that shatter the lives of other nations," noting that Paraguay has never been shaken by terrorist groups, which have appeared in other countries of the hemisphere, or experienced their "bloodcurdling incidents, which have caused serious crises and have forced those countries to pull out of truly recessionary processes and respond to violence with more violence in order to curb it."

It then goes on to point out that Paraguay did stage coup attempts after the 1947 war, but the people have always supported the government, and this "is proof of the democratic consensus backing the government," adding that there is no de facto situation in Paraguay.

The commentary then goes on to quote Robert Gelbard's statement that a "true democracy is the best defense against any type of extremism and that "we believe that the best way to settle political differences is through the ballot box," but that "the participation of all democratic contenders is necessary for this" and if "all the democratic elements are not represented in the elections, it is up to the government to establish the necessary conditions to attract the participation of all the sectors." The editorial then states that the true problem lies in the fact that the mentioned "sectors" are constantly splitting and that the norms cannot adjust to their capricious behavior, noting that all the parties have vowed to respect the Constitution and "what has been promised by a 'whole' cannot be destroyed by the factions" because this would mean going against democracy and plotting against its greatness.

The editoral ends by stating that "this is what the majority of the civilian population of the nation regards as the most serious violations of human rights, from which the remaining offenses of those rights stem as secondary effects, no matter where they originate."

MILITANTS WIN MOST PRECINCTS IN COLORADO VOTE

PY282140 Asuncion HOY in Spanish 28 Jul 86 p 9

[Text] In a climate of general fervor that in some cases led to confused episodes of physical aggression, pushing and jostling, while in other places all was perfectly normal, elections were held yesterday to renew the leadership commissions of the 25 Colorado Party precincts of the capital, including the Lambare suburb.

The "militant" line, which is not publicly recognized by most of the party leaders, won in 16 precincts, and the remaining 9 went to the "traditionalist" line -- also not openly declared -- in which old caudillos were mostly reelected.

Out of the 178,566 Asuncion citizens who are members of the Colorado Party and who have registered to vote, 90,915 went to the ballot boxes yesterday, which means that 51 percent voted and 49 percent abstained. Only three precincts had single candidates, while in most of them there were two or three candidates, and in a few cases even four candidates for president of the party grassroots organizations.

Although the candidates and the voters did not speak directly of fraud, there were complaints in several party precincts about the totally contrary attitudes of the delegations from the Party Executive Board toward the grassroots members party, as occurred at Precincts 22, 21, and others. In both cases, and despite the recommendations of Colorado Party President Juan Ramon Chaves that all the disqualified members should vote, the delegations ignored these recommendations, calling forth angry protests from leaders identified with the traditionalist line.

The oldest pricinct president in the capital lost his position yesterday; Domingo Rojas lost the election in Precinct 11 to Florencio Miguel Ortiz Pierpaoli by 954 votes.

Mario Pastor Almada, one of the precinct presidents who has received attention lately for his violent statements and for being accused several times of not having clear financial operations and of taking categorical stances, was reelected to his post by a large majority despite an open war of nerves for weeks during the electoral campaign. There were, however, moments of tension during the balloting, and the police had to intervene several times to prevent disorders.

Among the reelected "strongmen" there is Nicasio Ortellado of Precinct 8, whose identification with the "militant" line grew very much stronger after he nominated Mario Abdo Benitez for the vice presidency of the party Executive Board at the convention 2 years ago.

The pleasant weather yesterday helped the elections, which were protected by a very strong police deployment, particularly at the precincts in which elections were the hardest fought, like Precincts 1, 3, 4, 8, 11, 19, 22, 23, and 24.

PEASANT FAMILIES EVICTED BY ALLEGED OWNER

PY282034 Asuncion HOY in Spanish 28 Jul 86 p 13

[Text] According to a report made to HOY by the parish priest of Yhu, Caaguazu Department, dozens of peasants have been detained and their houses destroyed in a "new wave of violence against 90 familes who are settled in the locality of Potrero Alvarez. These families have been accused of occupying private property by the alleged owner, Matias Guell, who has never shown any document to prove that he is the owner of the land where these families have been living for a long time." The report states that several women and children have been left homeless after being violently dislodged. According to the report to HOY, part of the land is believed to be government-owned. The peasants have asked the Agrarian Reform Institute to clarify the situation, but so far the institute has not made a decision. The houses were destroyed while several heads of the families were being held by the police. The situation in the Potrero Alvarez region is worrisome.

SENATE, CHAMBER OF DEPUTIES REELECT PRESIDENTS

PY281656 Lima Panamericana Television Network in Spanish 0400 GMT 27 Jul 86

[Text] Congress today elected new officials for the 1986-1987 term. As a result, APRA [American Popular Revolutionary Alliance] leader Armando Villanueva del Campo was confirmed as Senate president and Deputy Fernando de Leon de Viveros president of the Chamber of Deputies.

Armando Villanueva was elected with 36 votes; while Javier Diez Canseco of the United Left received 9 votes, and Felipe Osterling of the PPC [Popular Christian Party] received 5 votes.

The Chamber of Deputies elected Fernando Leon de Vivero with 106 votes against 27 votes obtained by Deputy Cesar Barrera Bazan of the United Left, and 3 votes for Roberto Ramirez del Villar of the PPC. This is the fourth time that Deputy Leon de Vivero has been elected president of the Chamber of the Deputies.

The new Senate leaders are as follows: president, Armando Villanueva del Campo; first vice president, Guillermo Larco Cox; second vice president, Adolfo Guevara Velazco; first secretary, Raul Acosta Resifo; second secretary, Juan A. Castro; alternate secretary; Andres Quintana (?Gurk); treasurer, Rafael Leguren, who was reelected to this post; alternate treasurer, (?Arsenio) Morales; and alternate library secretary, Enrique Chan Cruz.

ANDRES TOWNSEND FACTION TO RETURN TO APRA

PY251314 Lima Television Peruana in Spanish 0100 GMT 25 Jul 86

[Text] The Haya de la Torre Grassroots Movement [Movimiento de bases Hayistas] will return to the American Popular Revolutionary Alliance [APRA] party, except for a dissident minority which decided during a recent party caucus in Chiclayo to stay out of APRA.

This was announced today by Senator Andres Townsend Escurra, who said that some reconciliation meetings will be held with APRA leaders after the national holiday to allow for the return of all the movement's followers. Referring to an APRA leader's statements opposing this return, Townsend said he respected this opinion, but he thought it was exaggerated because his movement does not share that APRA leader's feelings.

TERRORIST ACTIVITIES MARK EVE OF NATIONAL DAY

PY281501 Madrid EFE in Spanish 0710 GMT 28 Jul 86

[Text] Lima, 28 Jul (EFE) -- Several bomb attacks in Lima, fires in downtown Lima hotels, and a power outage that affected vast areas of the Peruvian capital last night marked the eve of the Peruvian National Day, 28 July, when President Alan Garcia is due to address the nation. The targets of the attacks were stores located in downtown Lima streets and in the outskirts of the capital. Two bank branches were attacked in the Yerbateros neighborhood.

The 7th and 18th floors of the Crillon and Sheraton Hotels, respectively, suffered fire. The fires were caused by a cigarette and a short-circuit respectively, while another fire began on the 4th floor of the Bolivar Hotel. No injuries were reported and no explanation was given as to the origin of the fire at the Bolivar Hotel. This information was provided by hotel employees.

A spokesman for Electroperu [Peruvian State Electric Power Enterprise] has said that technicians have concluded that last night's power outage could have been caused by a terrorist attack on the Mantaro-Lima transmission line which joins the Mantaro River power plant, to the east of Lima in Junin Department, with the Peruvian capital.

The power outage affected several Lima areas, including Brena, La Victoria, Lince, Monterrico, Jesus Maria, and the downtown area. The outage also affected the northern cities of Chiclayo and Trujillo.

For security reasons, the main square of Lima was cordoned off last night, and the area was closed to vehicles and passersby. Today Allan Garcia is scheduled to preside over ceremonies in the main square and attend a religious service at the Cathedral.

It was reported that a burro-bomb, a donkey loaded with explosives, exploded on the morning of 27 July in the main square in Huanta in the Andean department of Ayacucho. The blast damanged stores but caused no injuries. The house of a ruling APRA [Americann Popular Revolutionary Alliance] member in Trujillo was also bombed. The blast damaged the building's facade.

Today President Alan Garcia will address the nation from the congressional building, in compliance with a constitutional provision that sets forth that the president must deliver a message each 28 July. The president has said that his address will convey a message of "hope and security" to the Peruvian people.

APRA Officials Murdered

PY281437 Buenos Aires DYN in Spanish 2018 GMT 26 Jul 86

[Text] Abancay, 26 Jul (AFP) -- A mayor and the justice of the peace of Pachacona District in Apurimac Department of Peru's southeastern Andean region were murdered in cold blood by a terrorist group that has acted for the first time in that region, a police source reported today in Lima. The two officials were members of the ruling American Popular Revolutionary Alliance [APRA].

On 24 July nearly 50 terrorists attacked Pachacona, a remote township located in Antabamba Province, and subjected Mayor Antonio Jibaja and Justice of the Peace Raul Sanchez to a people's trial. The two officials were later shot dead in the main square on charges of being enemies of the armed struggle, the source said. The source added that a teacher, the municipal secretary, and municipal employees were also brutally beaten. After looting stores and the houses of their victims, the terrorists fled to an unknown direction.

IGLESIAS-LED DELEGATION ARRIVES IN BULGARIA

For Bulgarian media accounts of the visit to Hungary and Bulgaria by a delegation led by Minister of Foreign Affairs Enrique Iglesias, including his talks with Bulgaria's Chairman of the State Council Todor Zhivkov, Foreign Minister Petur Mladenov, and Chairman of the Council of Ministers Georgi Atanasov, see the 23 July Eastern Europe DAILY REPORT and subsequent issues.

Foreign Minister in Moscow

For Moscow reportage on the visit to the Soviet Union by Foreign Minister Iglesias, including his meeting with USSR Foreign Minister Eduard Shevardnadze, see the Latin America & Caribbean section of the 25 July Soviet Union DAILY REPORT and subsequent issues.

2-Day Visit to West Germany

For Hamburg DPA coverage of the 2-day visit to the FRG by Foreign Minister Iglesias, including his meeting with his West German counterpart, Hans-Dietrich Genscher, see the Federal Republic of Germany section of the 28 July Western Europe DAILY REPORT.

IGLESIAS DISCUSSES TRIP, DEBT, CENTRAL AMERICA

AU271811 Budapest MAGYAR HIRLAP in Hungarian 24 Jul 86 p 2

[Interview with Foreign Minister Enrique Iglesias by Gabor Arato, deputy section head at MAGYAR HIRLAP on 23 July in Budapest: "Peace and Dialogue Are Our Mutual Interests"]

[Text] [Arato] Mr Foreign Minister: Before you began your European tour, you said to the paper LA MANANA that your visit to Hungary had two aims: 1. political and 2. economic and commercial. What possibilities do you see for political cooperation between these two small countries with different social systems and located on two different continents? What perspectives do you see for your economic cooperation?

[Iglesias] In my view, in spite of our dissimilar political and economic systems, we have a great many things in common with Hungary. Our mutual aims are peace, the observance of international law, but above all, dialogue. In our present world, the only way to survive is by strengthening international dialogue by all means and safeguarding the principles of multilaterialism. It is very important to let no political and social differences, whatever they might be, hinder our most extensive economic cooperation. My conviction was reconfirmed in the talks I had with the Hungarian foreign minister, the foreign trade minister, and the premier. These talks have strongly promoted our bilateral relations. I think there are a lot of possibilities for expanding trade cooperation. I would like to stress the importance of the first step made by an Uruguayan wool producer and distributor firm and the Hungarian Hungarotex Foreign Trade Company to establish a joint venture, the Hungurex S.A. Hungarian-Uruguayan joint company. Such cooperation can create further mutual economic and commercial ooportunities, not only in each others' countries, but for Hungary in Latin America, and for us in the socialist countries and the whole of Europe.

[Arato] You are a financial expert with an international reputation. In your view, are there realistic chances of solving the debt crisis of Latin America and the Third World?

[Iglesias] As you know, representatives from 11 Latin American countries conferred in the Columbian city of Cartagena to come to a common conclusion regarding the debt crisis. The problem is very complex; it is not easy to find a solution and, what is more, the indebted Latin American countries have different opinions.

The falling prices of crude oil have significantly changed the position of oil-exporting countries. Their situation worsened, while that of oil importers improved. So, however dissimilar the problems of Latin American countries might be, indebtedness is universal, and there is hardly any way to find a solution. Nevertheless, together it is possible to exert efforts for improving the international atmosphere. This depends mainly on the rates of exchange. We must achieve a drop in the rates of exchange to a realistic level.

It could be very important to have more foreign capital for investments that serve to boost production. Lack of growth and depression do not provide solutions for the debt problem. This is basically the message of Cartagena, and the industrially developed creditor countries began to understand that we cannot pay without economic growth. Until very recently the theory was: pay first and then try to grow. Now it says that economic growth must be achieved first before one can pay.

[Arato] As is well known, Uruguay and you personally support a peaceful solution to the Central American crisis and also support the efforts of the Contadora and Lima Groups, as well as the Caraballeda concept. The Central American crisis has intensifed since the U.S. Congress apoproved $100 million in aid to the contras. In your view, what is the main obstacle to a political solution? What is anticipated to happen in Central America?

[Iglesias] The situation in Central America causes anxiety not only in the region, but in all of Latin America. The problem has deep and old roots that are connected to economic underdevelopment and the lack of functioning democracy. We think that in the present situation, the problem must be solved by heeding the following principles: first, respecting the principle of noninterference; second, respecting each country's decision to follow a particular political and economic system; and third, in our view, no support must be given to any irregular forces operating and fighting in the region. These principles can only be enforced in peaceful circumstances, which can be created in the entire region through democracy, political pluralism, and the observance of human rights. All this, however, must be achieved by peaceful and political settlement. A solution can only be achieved in Central America through dialogue and diplomatic efforts. In order to arrive at such a solution, we are also working for this goal in the Lima Group, thus supporting the Contadora Group.

[Arato] It is just over 1 year since the inauguration of President Julio Sanguinetti. Would you please sum up briefly the year's results in returning to democracy?

[Iglesias] I do not know if I, as a member of the government, can remain objective enough in analyzing the activities of the Sanguinetti government during the past year. What I have to stress is that we managed to create order throughout the country. All of our democratic institutions carry out their functions normally, civil rights are observed, and an amnesty law was issued according to which all political prisoners were released. Political exiles have returned home. And I repeat, since this is the most important point, the democratic institutions are operating in a perfectly normal manner.

Of course, there are problems, above all of an economic nature. The country's economy has not been in such a difficult and sad situation since the thirties. We have not as yet overcome the difficulties, but there are indications that we are over the hump and heading in a good direction. A lot of things will depend not on us, but on the state of the international economic boom. The most important thing is -- and the entire Uruguayan people agree on this -- that our country is again treading the path of democracy.

LA REPUBLICA ON HELMS CANAL CAMPAIGN

PA262317 Panama City LA REPUBLICA in Spanish 23 Jul 86 p 4

[Editorial: "Helms Has Been Unmasked"]

[Text] In this editorial column we had reported that the campaign by the unfortunate Jesse Helms, backed by Panamanian traitors, had no other purpose than to prevent Panama from taking over the Canal under the Torrijos-Carter Treaties mandate. It is Helms who, with President Reagan, unleashed an unprecedented campaign, inside and outside of the United States, so that the treaties would be rejected and the Canal would never be turned over to Panama.

Since then, that clan has been studying how to resume that infamous campaign, which deeply moved all Panamanians who believe in the fairness of our cause and who are willing to defend our nationality in all fields, to the point of offering our lives so that the Torrijist Mandate is followed. That instruction calls for the last U.S. stake to be pulled on 31 December 1999.

It is that newspaper which serves as a stenographer to Panama's staunchest enemy which discloses with banner headlines that "Helms Admits Attacks on General Noriega Could Be Intended To Prevent the Panama Canal Treaties From Taking Effect."

The aformentioned daily discloses that Helm's senatorial committee served only as a springboard for launching these accusations against Mexico [as published] and Panama.

That strategy belongs to the right-wing Republicans, and it involves several other personalities and media, both inside and outside the Reagan administration, and even outside the United States.

These maneuvers will be rejected in Panama and other countries of the hemisphere because the Latin Americans will not allow open or disguised intervention by that gang that recalls the days of the "Big Stick" [last 2 words in English] when the countries of this continent were unjustly subjugated by a policy that, instead of stimulating the peoples of America, tried to humiliate, crush, and dominate them.

Panama is standing tall, and those of us who feel love for the fatherland which nobody can take, are now in a permanent state of alert.

BRIEFS

JAPANESE ENVOY DEPARTS -- Ryozo Mogi, the Japanese ambassador who carried out his duties efficiently and contributed to the strengthening of relations between the two countries, has ended his tour here. Good luck and success! [Text] [Panama City LA REPUBLICA in Spanish 23 Jul 86 p 5 PA]

NEW ARGENTINE AMBASSADOR -- Bernardo Sola, the new Argentine ambassador to Panama, presented his credentials to President Eric Delvalle yesterday. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 19 Jul 86 p A 4 PA]

DRUG TRAFFICKER ARRESTED -- On 14 July narcotics units arrested Colombian citizen Carmen Rosa Hernandez de Arevalo at the Omar Torrijos International Airport as she was trying to smuggle 250 kg of pure cocaine into Panama. [Summary] [Panama City CRITICA in Spanish 18 Jul 86 p 47 PA]

COSTA RICAN MINISTER ON REGIONAL MEETING

PA272332 Panama City ACAN in Spanish 0100 GMT 27 Jul 86

[By Ricardo Chacon]

[Excerpts] San Salvador, 26 Jul (ACAN-EFE) -- The meeting of the foreign ministers of El Salvador, Guatemala, Honduras, and Costa Rica to analyze the last version of the Contadora peace document ended today in San Salvador amid total silence. [passage omitted]

Before returning to his country, Costa Rican Foreign Minister Rodrigo Madrigal Nieto gave an exclusive interview to ACAN-EFE. Minister Madrigal Nieto said that the meeting was "cordial" and that with this meeting they were not attempting to "create a bloc to oppose Nicaragua." [passage omitted]

"It was a highly positive meeting during which we discussed matters of a broader perspective in an attempt to achieve peace in the area, how to get financing for our countries, and how to advance in the fields of technology and culture," the Costa Rican foreign minister added. However, Madrigal hinted that the foreign ministers had discussed more specific matters like the Central American parliament, Contadora, and the position of the four countries regarding Nicaragua. [passage omitted]

Madrigal said that Nicaragua was absent from the meeting because the four countries that attended the 2-day meeting "are trying to achieve peace through democracy, and Nicaragua, on several occasions, has said that it does not believe in this democracy."

"Nicaragua has described democracy in Central America as decrepit; therefore it was not invited to attend the meeting. This does not mean that we will not sit down and talk with Nicaragua some day, especially the day when the brother people of Nicaragua achieve democracy," Madrigal added calmly.

The first of these meetings was held in Honduras on 17 July. Guatemala was not present at that meeting. Guatemala was present at the San Salvador meeting, and Madrigal said that it is "important that representatives of the Vinicio Cerezo government attend these meetings because we want the democratic countries to be united and work together."

"Guatemala plays an important role, and without Guatemala we would not be able to adopt a more vigorous stance in Central America. Guatemala's participation has been very positive," Foreign Minister Madrigal said. [passage omitted]

[Panama City ACAN in Spanish at 0048 GMT on 28 July 86 transmits a Ricardo Chacon report on statements by Costa Rican Foreign Minister Rodrigo Madrigal Nieto made shortly before leaving El Salvador after attending the Central American foreign ministers' meeting. The report says:

["The Costa Rican foreign minister called for the creation of a 'democratic alliance' among the Central American countries, from which Nicaragua would be excluded."

["'We proposed the creation of a democratic alliance a long time ago; apparently it is something that has been adapting to circumstances,' the Costa Rican foreign minister told ACAN-EFE before leaving El Salvador.

["This democratic alliance,' Madrigal noted, 'must be achieved through broad participation, where democracy is viewed as a fundamental value for resolving the problems of Central America.'

["According to the foreign minister, the alliance would seek, among other things, 'to establish greater ties with Europe, especially the EEC, so they can move closer and become familiar with our positions.'"

["Madrigal Nieto added that his country will not participate in the attempts to make the Central American Defense Council (Condeca) reemerge. The Condeca is a regional institution created in the seventies at Nicaraguan dictator Anastasio Somoza's initiative to fight against the isthmus' incipient guerrilla movements."

["'Costa Rica cannot participate in the new CONDECA because our country's Constitution bans armies. In any event, we would participate as mere observers,' Madrigal Nieto explained."]

COSTA RICA

ARIAS SAYS CONTRAS MUST RESPECT NEUTRALITY

PA290245 Panama City ACAN in Spanish 2115 GMT 28 Jul 86

[By Juan Ramon Rojas]

[Excerpts] San Jose, 28 Jul (ACAN-EFE) -- President Oscar Arias Sanchez today threatened to adopt strong measures against the anti-Sandinist leaders if they continue using this country for military purposes, adding that "we will be inflexible" with the anti-Sandinists.

During an impromptu news conference, Arias Sanchez said that "there is no reason why we should change our commitment to the people in the sense that we will do everything possible to preserve our neutrality" in the Nicaraguan military conflict. Arias made this statement after it was learned that the contras had been operating a clandestine hospital in El Coyol de Alajuela, 35 km west of this capital, where 49 Nicaraguans, members of the Nicaraguan Opposition Unity (UNO) were recovering from their wounds. Public security authorities have arrested the Nicaraguans, some of them at the same residence they used as a hospital. [passage omitted]

Asked by ACAN-EFE whether the Costa Rican Government has adopted any measures against UNO's top leaders who can carry out political activities here, Arias Sanchez said that "nothing is done behind their backs" (referring to the contra leaders).

They "owe us a satisfactory explanation, because I am absolutely sure that they know about the existence of those hospitals," Arias stressed, adding that he will meet with the members of the State Security Council tonight to analyze the measures that will be adopted by the government. "We are going to have to issue a warning" to those persons, because "they will not be allowed to stay in our country if they carry out military activities, not only at the border, but also in the rest of the country," Arias Sanchez said.

"If they do not respect the rules of the game established by the government, they will have no political rights in Costa Rica," Arias Sanchez added. He continued that if they violate the rules of asylum "those people are not worthy of sharing the Costa Rican territory and institutions with the rest of our compatriots."

According to contra spokesmen in this capital, the military struggle against the Nicaraguan Government in the southern part of Nicaragua has been intensified during the past few weeks.

EL SALVADOR

DUARTE SATISFIED WITH ECONOMIC POLICY

PA262210 Paris AFP in Spanish 2114 GMT 25 Jul 86

[By Ana Cristina Hasbun]

[Text] San Salvador, 25 Jul (AFP) -- President Jose Napoleon Duarte has said that the economic measures adopted by his government 6 months ago "have yielded the expected results, even though the plan was designed for a 3-year perod and was expected to bring some destabilization at the beginning."

In an exclusive interview with AFP, Duarte said that "the economic stablization and reactivation program," which has been opposed by rightist and leftist sectors, is intended to change the country's "rigid economy" by adapting it to the world situation. On 22 January the government adopted the economic measures, which included a 100-percent devaluation of the currency, tax increases, and import restrictions. President Duarte said that "this economic package" was a response to pressure from foreign financial sectors, which would have continued if the Salvadoran colon (2.50 per dollar) had reached a higher official exchange rate.

The official exchange rate of the colon was set at 5 colones per dollar, and, according to Duarte, "we logically expected it to shoot up in the black market, but in the last 6 months it has not risen above 5.70, in contrast to last year, when it reached 8 and 9 per dollar in the last months." President Duarte denied rumors of a new short-term devaluation, and he attributed them to "leftist and rightist sectors acting out of self-interest who do not want to admit the success of the economic measures." The president said that the second phase of the economic plan involves seeking new levels of production to achieve an overall reactivation of the economy.

According to Duarte, since January El Salvador has had a monthly inflation rate average of 2 percent, and "we believe that by the end of this year the inflation rate will reach a maximum of 30 percent, but this is a part of the adjustment process," he said. By next year, he added, the inflation rate will drop to 15 percent, "which will be a more manageable situation." Duarte said that El Salvador continues to be subject to international credit, since "it is one of the few countries that has continued to pay its foreign debt. Presently, $400 million is being negotiated with the IDB." El Salvador's foreign debt amounted to $260 million in December 1985, according to several government sources.

"We have the guaranteed economic support of friendly countries such as Argentina, Brazil, Italy, the FRG, and the United States, which have given us funds to help us maintain equilibrium," Duarte said. The president denied recent statements from some rightist political leaders who said that El Salvador had lost almost 200 million colones last year by speculating on coffee sales in the world market. According to Duarte, the government's policy is to sell 15,000 quintals of coffee daily with the object of obtaining an average margin of profit in view of the constant highs and lows in the prices of coffee in the world market. This will allow coffee growers to receive $80 per quintal.

The country's foreign trade has been nationalized since March 1980, when a civil-military government junta headed by Duarte enacted the agrarian reform and the nationalization of the banking system.

The FMLN has maintained a campaign on Radio Venceremos against the government's economic measures, saying that "everything increases except the wages of the working class."

He [Duarte] said, "I do not understand why some sectors criticize the economic package. It is intended to seek the stabilization and the reactivation of the national economy, and, most of all, it is yielding satisfactory results."

D'AUBUISSON CRITICIZES DEBATE PROPOSAL

PA261802 San Salvador Canal Doce Television in Spanish 0300 GMT 25 Jul 86

[Excerpts] Major Roberto D'Aubuisson, ARENA [National Republican Alliance] leader, today described as demagogical the proposal of Culture and Communications Deputy Minister Roberto Viera for a debate in Nicaragua between Salvadoran Government representatives and FMLN-FDR leaders. Viera's proposal was presented after the rebels proposed to the government an open debate somewhere in Salvadoran territory, which would be carried by the communications media.

[Begin recording] [D'Aubuisson] My friend Rey Prendes [Julio Adolfo Rey Prendes, culture and communications minister] has been very skillful in compromising Viera with this kind of remark. Although it appears very attractive to hold the debate in Managua, at the LA PRENSA premises, which have been seized, and with Msgr Miguel Obando y Bravo acting directly as moderator, the truth is that this is unwise. A government official has just told me that this intention has already been reported to the Sandinist government. A Salvadoran official cannot tell another government or country that some people want to do as they wish. In other words, all this seems to be a mockery, just like the famous Duarte lies and demagoguery in saying he wants a dialogue for peace, while all the time he is the one who provokes domestic discord. This is just another of those famous shows, the smoke screen that he mentioned at a press conference. It is they who have laid a smoke screen. They are gambling with something very dangerous.

In view of foolishness of this kind, the FMLN people are supposed to ... [changes thought]. This foolishness indicates that officials do not realize what a government is. Viera speaks on behalf of the president. This indicates that a true statesman is not speaking. These things should not happen. What if Shafik Handal of Villalobos now answers them: Okay, we will wait for you here? In other words, I feel this is stupid. As I said earlier, it is very interesting that my friend Rey Prendes hooked Viera into making those remarks. [Words indistinct] would not risk making those remarks, even if Duarte ordered them. [Words indistinct], this in addition to his personal problems in the party. He could not even win on the Christian Democratic Party's municipal list. But he is the son-in-law. This is to say, all of the newly arrived have been sweeping away the traditionalists. Yet, this is their problem.

[Reporter] In that case, what would ARENA propose?

[D'Aubuisson] We have already presented a proposal during the forum organized by the Crusade for Peace and Work [Cruzada Pro Paz y Trabajo] last Saturday at the Sheraton Hotel.

The ARENA proposal is a formal proposal, worthy of being taken into consideration.

According to the Constitution, the political parties are the people's representatives. ARENA proposes that all legally registered parties meet and present the problems of the various sectors, of all the sectors; namely, the church, the comadres -- that is, that group of ladies [reference to the Msgr Oscar Arnulfo Romero Committee of Mothers and Relatives of Political Prisoners, Missing, and Murdered people in El Salvador] the unions, etc., so that in this meeting we can work on what the Salvadoran people desire. In other words, it is a national proposal for peace and liberty. [end recording]

FMLN COMMANDER DISCUSSES DUARTE'S PROPOSAL

PA280238 (Clandestine) Radio Venceremos in Spanish to El Salvador 0037 GMT 28 Jul 86

[Interview with Commander Shafik Jorge Handal, member of the FMLN General Command, by unidentified questioner; date and place not given -- live or recorded]

[Text] [Question] We will begin this interview with Companero Commander Shafik Jorge Handal with a question concerning the political proposal made by the FMN-FDR to all social and political sectors of the country to contribute to a dialogue among Salvadorans in an effort to find a solution to the conflict. As is public knowledge, this proposal has been a contribution to the debate that it has initiated through various national sectors concerning the current key issues of national importance, such as peace and social justice, political solution to the debate of ideas, etc.

However, for his part, Napoleon Duarte has been evasive. He has been making demagogic speeches, touching on some subjects, but without going in too deep. Duarte has even referred to Companero Commander Shafik Jorge Handal in a personal manner, and [words indistinct] an episode of our past political life during that speech. Commander Handal, could you tell us what you think about this situation?

[Handal] I think that Duarte's tour through Gotera and other cities in the country and his most recent interviews on radio and television are an effort on his part to fill a vacuum in his specific stand concerning the dialogue and the political solution which he had created in recent weeks. As we all know, during his early June speech on the occasion of his 2d year in power, Duarte proposed a meeting, a third dialogue meeting with the two fronts, the FDR-FMLN. In less than 48 hours, we accepted this proposal. We announced a high-level delegation of our two fronts, thus showing our clear willingness to contribute in a constructive manner to a political solution; that is, a willingness of peace, of political solution, of a dialogue.

Shortly after that, it was observed that there was a change in Duarte's stand, a change even in the enthusiasm with which he presented his proposal. He then entered a period of excuses, of subterfuges. First, he clung to the proposal made by the Bishops Conference of holding prior private meetings: He went as far as to call them secret meetings. In addition, he told us these meetings should be held abroad. His first stand had been clear to the people who listened to him. The whole country understood it: a meeting inside the country.

What had happened? The Army command and the U.S. Embassy in fact put a clamp on that proposal by Duarte. They clearly told him that this was not advisable, that he should just make some sort of a maneuver and then pull out of the dialogue, that continuing with the dialogue was a fact they could not accept, and they imposed restrictions on Duarte. Duarte accepted because he does not have any capabilities for power, for deciding on his own actions by himself. As I was saying, they imposed such restrictions on him that Duarte started to evade the issue, to seek secret talks, so that no one could see how poor and empty the government's stand was and the fact this could not contribute at all to the just peace the Salvadoran people are demanding.

Trying to fill this vacuum, Duarte began to call for me personally, to play with the idea of an alleged division within the FMLN General Command. He started to call for me personally. He remembered all the times when we were allies. I think I cannot evade, under these conditions referring to that past, and thus give the Salvadoran people the opportunity to form their own opinion concerning a period of the country's poltiical life that was very important and that undoubtedly exerted an influence in the development of later events.

In past years I had avoided mentioning them due to a basic principle of politicial ethiscs that told me I should not make any public reference to what we had discussed in private throughout our alliance with the Christian Democratic Party [PDC] and to my personal relationship with Napoleon Duarte himself. However, now it is Napoleon Duarte who is making reference to that period of time and presents it in a false, distorted manner, and this forces me to speak inpublic about that experience.

We, the Communist Party of El Salvador [PCES], and the PDC were allies for nearly 9 years, along with the National Revolutionary Movement, the MNR. At the end of 1971 we formed the UNO [National Union of Oppostion]. That was a clear, honest [words indistinct] that was evident in a program we jointly prepared, that is, the three parties. Everyone in El Salvador heard about the UNO program. It was a program that sought democracy and true independence and proposed mature, urgent, necessary reforms to change the situation of poverty, backwardness, and exploitation in which the Salvadoran people had been submerged for a long time.

Based on that program, we launched into a long-lasting political struggle. It was not an occasional pact, it was a pact for achieving the goals of that program. (?It was a long pact). Throughout that time, we struggled together, the PDC and ourselves. I am only going to refer to the relationship between the PDC and the PCES, because of the statments that have been made concerning me. Throughout that time we exchanged ideas, we prepared ideas and stands; we worked hard to seek the paths for strengthening the forces of the Salvadoran people and thus lead them to a victory of their wishes through political means. We got to know each other well, we shared many important, interesting and influential moments.

I will now mention one such episode. Perhaps later I will have a chance to speak of other moments. I am going to speak of the most recent episode; the last meeting with Duarte, which was the one that practically put an end to our alliance.

In early January 1980, Duarte invited the PCES directorate to a bilateral meeting. The meeting was held in an office that Duarte had near the Seisa Funeral Parlor. Another party companero and I attended the meeting. Jose Napoleon Duarte, Hector Dada Hirezi, and Julio Adolfo Rey Prendes represented th PDC. I do not remember the exact day the meeting was held, but it was on a Teusday or Wednesday in earlyl January 1980. The Sunday before the meeting the PDC national convention had been held and Hector Dada Hirezi had been appointed to join the military junta and, in this manner, the Christian Democratic military government.

Duarte explained the reason for the invitation. He explained how they viewed the situation and ended by proposing that we join the government. The specific proposal consisted of the party selecting some members or supporters, their relations with the party not well known, to include them in the cabinet and other important position. Our answer to this proposal was clear and categorical. I do not understand why it is that today Duarte says that he cannot understand why the Communists joined the armed struggle.

At that meeting we clarified absolutely everything. Our answer was categorical; we rejected his offer and told him that in honor of the alliance whe had had for so long, we felt obliged to tell them how we felt.

We told them that they were making a serious mistake; that the PDC, through the pact they were making with the military leaders, would end up on the opposite side, enemy of the Salvadoran people, on the side of the exploiters and oppressors and killers of the Salvadoran people.

We explained this to them at length. I can still remember that there was a blackboard in Duarte's office. We used the blackboard to illustrate how we saw the power structure that continued unpunished and belonged to the most reactionary forces of the country and how its repressive system was made up. We told them that right after the PDC joined the government the number of killings would increase. We told them that the first government junta had resigned, en masse, in late December -- this junta was formed after the 15 October 1979 coup d'etat. We told them that if the country were in a situation to undertake an effort for democratization such as the one he was suggesting, through an alliance with the military chiefs, that had already been tried between October and December 1979 and that the facts had proven differently. Power was still in bad hands that increased the crimes, repression, and killings on the San Salvador streets. By the way, we must remember that the current defense minister, General Vides Casanova, was the chief of the National Guard back then.

The National Guard carried out many of those killings on the streets of San Salvador, and the first government junta resigned, en masse, after it saw that all the hopes born with the 15 October coup d'etat were all false hopes, that all those ideals had been betrayed, and that to remain in government was to serve as a cover for the former dictatorship that remained unchanged and had become more criminal.

We told them all this and told them that after the first junta resigned, the situation had gotten worse, that the position of the reactionary, antipeople, and antihomeland chiefs had strengthened and that the killings had increased. We told them that this would also be done under their umbrella.

We added that as allies we were obliged to tell them all this and to add a call. We called on them to think, to remain with the same positions they had maintained up to then, to continue with the struggle we had planned. We told them that we believed that all we had told the people during the electoral campaigns was serious and responsible and that we were committed to continue that struggle in other ways since life had already proved to us that the purely political ways made this impossible; that the electoral life had been used up completely, it had been wasted, blocked, and hindered; that we were committed to reaching our objectives by other means; that we had to fight the dictatorship on its terrain; that we could not speak in another language to the killers. We called on them to remain faithful to the struggle we had maintained for 9 years, to the plan that we had presented to the Salvadoran people.

The first one to speak after us was Hector Dada Hirezi. He was very clear in stating more or less the following: He said that he agreed with the way we, the Communists, had analyzed the situation at the meeting; that he felt the same way; and that he had no hopes for things to change. He said that if he had accepted the appointment to represent the PDC in the government junta it had been because of party discipline, but that he was taking advantage of the meeting to make an announcement, a statement, issue a warning. He said he would join the junta for just enough time to find out what was happening; that the situation had not changed; that power remained in the same hands or in worse hands; and that if he proved this he would withdraw from the junta. This was exactly what he did. We can all remember that only a few months later, I do not remember exactly how long, after he became a member of the junta, Dada Hirezi resigned. He did this just in time, because the bloodiest and most abominable times followed.

We must recall that the assassination of Msgr Romero occurred afterward, as well as the endless killings during 1980. That year was a very dramatic year from that standpoint. It was also a year of great heroism and struggle on the part of the Salvadoran people. What happened after Dada Hirezi's withdrawal? It was a good time to stop and think. It was a good time for the party leaders, first of all Duarte, to tell their companeros the truth and to propose a brave withdrawal, maintaining their dignity. However, it did not happen that way. Dada Hirezi was replaced by Napoleon Duarte.

Ever since meeting Napoleon Duarte, I have always the impression that.... [changes thought] It is true that he was away from the country for many years after his expulsion to Venezuela in 1972, but I visited him in Caracas on several occasions, and we talked at length. Based on what I know about him, on what I knew about him, I still feel that he really did not want to join the junta at that time, that he would have preferred other party members to join the junta. He would have preferred for the junta to conduct a purge -- in other words, to eliminate the people's resistance and replace it with the peace of the cemeteries -- so that he could then appear as the caudillo of the elections, assuming the Presidency with a clean democratic banner.

However, perhaps there was no one willing to assume that responsibility among his party's leaders, and Napoleon Duarte, as the popular saying goes, was left holding the bag, a dirty, muddy, and bloodstained bag. It was when Napoleon Duarte was in the junta, of which he became the top leaser, that Msgr Romero was assassinated. It was then that the massacre during the great polular demonstration at the funeral in front of the cathedral in Barrios Plaza took place. What did Duarte do then? Did he show his indignation, did he accuse the assassins and leave the government? No. On the contrary, he accused us. He accused the revolutionaries of that horrible crime. Years later, in a demagogic move based on his own political needs, Duarte proposed investigating Msgr Romero's murder again. As I said, only because of his political needs at the time did he direct the accusation against the one he should have accused from the beginning: D'Aubuisson. We all recall that D'Aubuisson was arrested, together with a group of his fellow squad members at a farm in Santa Tecea. Colonel Majano, who ordered the arrest, was still in the junta. Enough documents were found proving that those who were arrested were the authors of that and many other crimes. However, Duarte defended D'Aubuisson. Duarte supported the high command sector that demanded D'Aubuisson's release. Duarte helped to protect D'Aubuisson by accusing us of those crimes, by accusing us, the revolutionaries.

What we had predicted at that last meeting in his office near the Seisa Funeral Parlor was being confirmed in an exceptionally dramatic way. In fact, during the period when Duarte was in the junta, more than 30,000 Salvadorans were murdered.

I would like to recall some of the most outstanding cases, because among those killed were many PDC members, some of whom were very valuable [words indistinct] such as Mario Zamora, who was killed in his own residence. Duarte had visited Mario Zamora in his home, he left the house, and a few minutes later [words indistinct]. Duarte used all the influence he had within the party during that convention, and the PDC youths also had to withdraw from the party so as not to become accomplices in that horrible slaughter of the Salvadoran people. They created the Social Christian People's Movement [MPSC] headed by Ruben Zamora. Since then, the PDC policy has become more coherent, but also more reactionary. There were no more misunderstandings. At the January meeting -- the last one we had with Duarte -- at the end of the meeting, before we left, we [words indistinct] that we had been allies for 9 years, that alliance had been based on mutual credibility, that it had been a sincere alliance, and that although we [words indistinct] to democratize the country, to put an end to repression, to guarantee respect for human rights [words indistinct] we will give you the benefit of that credibility during the initial period.

We are going to wait and see how you react to the different situations. During the first period we are not going to attack the PDC, nor you, Napoleon, I clearly remember telling him. We are going to wait and see how you will react to the situations that are about to come.

By reviewing the statements and newspapers of those days it can be seen that we in fact kept our word. We have them the benefit of credibility. Dada Hirezi acted with dignity and honored his commitment to the Salvadoran people. The PDC youths who withdrew and created the MPSC also honored that commitment. However, the PDC remained there, precisely because you, Napoleon, exerted your influence to that effect.

It was then that we began to attack the position assumed by the PDC leadership and to attack you personally. We increased our attacks precisely when you, from the government, supported and promoted the decree establishing the state of siege, to attribute an impossible legality to the killings and repression. We intensified our attacks because you gave in more and more. Not only did we attack the old reactionary military power, against which the efforts of patriots and democratic [words indistinct] failed, as well as the efforts of Colonel Majano himself, who was expelled from the junta afterwads. Your surrender was even worse. You surrendered to the U.S. Government. To the worst U.S. Government in many decades: the aggressive, warmongering, ultrarightist government of Ronald Reagan.

I would like to recall other historical facts that shed light on the change undergone by Duarte and his group of PDC leaders. In 1972, while he was UNO's candidate, Duarte won the elections as presidential candidate.

Then came the outrageous fraud, that rotesque imposition through which the dictatorship stole the people's victory. Weeks after that, on 25 March 1972, there was an uprising by democratic, patriotic militarymen who wanted the Armed Forces institution to play a role in the liberation of the Salvadoran people. That uprising was led by Colonel Benjamin Mejia. The UNO leaders met in Napoleon Duarte's home and reported on the situation. He asked us to help by telling the large crowd of people that was gathering near the National Guard headquarters -- that was the center of the resistance that was defending the dictatorship -- to get out of there because he was going to use the 105 mm cannons of the artillery garrison at Zapote. At the time, the artillery garrison was at Zapote. He was going to use those cannons to put an end to that resistance.

He also reported that troops from the 3d Infantry Brigade of San Miguel were moving to support the ousted government of Sanchez Hernandez, and that we should make appeals to halt or delay the advance of the column coming from San Miguel to San Salvador.

We quickly agreed on what had to be done. Duarte went on the radio and made vigorous appeals to the people, to the masses, to support the military uprising. When this uprising was defeated, Duarte went to request asylum at the Venezuelan Embassy. It was there he was beaten with a rifle butt and had his cheekbone broken. He was exiled to Venezuela. As I said before, I visited him on several occasions in Venezuela. Someday we will talk about all this. I am going to refer to some of these aspects during this interview.

I really did not want to refer to that, when I brought up the subject of the uprising led by Col Benjamin Mejia. I just want to recall that after having been in exile for many years, Col Benjamin Mejia thought he could return to the country during the times of the junta led by Duarte, the military-Christian Democratic junta.

Shortly after he returned to the country, Mejia was murdered. Duarte did not open his mouth at all. He was not loyal even to the memory of that struggle, that although it failed was an effort that left a mark on the political education of the Salvadoran people. That struggle was a seal of blood in favor of the Salvadoran people's ideals.

Benjamin Mejia was murdered cowardly and treacherously. The military-Christian Democratic junta, or rather, the PDC leadership of Duarte, covered up that crime. The same thing happened with the murder of Mario Zamora, as the juanta did not protest and break with the assassins who were protecting the other assassins who did the actual killing.

I wish to recall even more of those crimes of 1980. In November, 1980 the Executive Committee of the FDR was murdered. Its president, Enrique Alvarez Cordoba, and five more companeros of the FDR Executive Committee were murdered in a most cruel manner. Again, Duarte did nothing. This was another sign alerting him as to what he had gotten into, but Duarte did not react. He continued defending the assassins. He did nothing to clarify the murders.

I wish to recall another episode of those times. These were all signs of alert that he should have noticed and done something about. Then there was the murder of the U.S. nuns. Vides Casanova was director of the National Guard. He had something to do with this. After there was much pressure from the North Americans, from the U.S. Government that in turn was being pressured by the U.S. people, after many demands by the Yankees to clarify this, they ended up blaming some guardsmen. The covered up the responsibility of the chiefs. At the beginning, they did not begin any investigation, and it was clear that members of the National Guard were involved. However, they made no use of their authority, of their high positions to clarify that murder.

That was another bloody episode in the midst of the sea of murders. Those were the days when 20, even 30 bodies appeared every day in the San Salvador streets and the highways in the country. Bodies would appear beheaded, with their hands cut off. I remember a [word indistinct] case of a couple of sweethearts where the head of her boyfriend was stuffed into the girl's abdomen that had been cut open. The corpse looked like the corpse of a pregnant girl. The corpses were dumped near the Vieitez Theater.

Those incidents belong to those times. But now I am going to refer to another murder, the murder of Viera and of the U.S. advisors of the agrarian reform. This also happened during the time of the military-Christian Democratic junta. They also covered up that crime. From the very moment they did not investigate the crime and let it go unpunished, they were covering it up. After that, they acted out some sort of pantomime, at the demand of the U.S. Government, -- I repeat -- demands that result from the pressure of the U.S. people. They acted out a pantomime that did not move even Duarte or Viera's brother. Roberto Viera, who is the brother of that Viera who was murdered, is today a high-ranking government official [deputy minister of culture and communications]. It was then that he further strengthened his ties with the military, with that redoubt of assassins who had either directly murdered his brother or were covering up his brother's assassins. Roberto Viera has reached such extremes of moral corruption that he is now an instrument of the Armed Forces General Staff. I am saying this with full knowledge of the issue, with perfect knowledge of the issue. Roberto Viera is their instrument within the PDC. The fact that Duarte recently appointed him as his official spokesman is something that has been imposed by the military leadership. Viera is the man who breathes and talks through the noses of the Armed Forces General Staff, and therefore of the U.S. Embassy.

This is the way things are. At that last meeting, the one I mentioned earlier, Fito Rey Prendes was also present with Jose Napoleon Duarte and Hector Dada Hirezi. At that meeting he tried to argue and convince us that they were right and that we should join the government. He used the same type of reasoning he tends to use to justify anything. Fito Rey Prendes has -- the ability and I would not call it a virtue -- to argue in favor of anything; in favor of what is good for them.

Regarding Rey Prendes I wish to recall some things. During much of the time that we were allies -- despite the fact that we were always aware of Fito Rey Prendes' ambitions -- during much of that Fito presented himself to us as procommunist. At one time he began writing an essay on the country's political history, and he would say that he wanted to stress the role of the Communist Party in his essay. He would ask us for documents and interviews.

On 25 March 1972, during the uprising headed by Col Mejia, we were together at the UNO locale, located behind (?Don Rio). We were trying to get UNO members to come to headquarters and help in the struggle against the dictatorship. That same day we had been training in the use of weapons, military weapons. We did this at that place. We felt that it was our duty to join the fighting if this became necessary. We trained in the use of military weapons.

Fito Rey Prendes joined the training sessions that we had organized. That was the type of man he was back then. But today, experienced after years of sheltering the killers of the Salvadoran people, after arguing and arguing to justify something that cannot be justified, Fito Rey Prendes aapires to become president of the Republic. He has already undertaken the task to reorganize the party at departmental and municipal levels. He is placing in key positions men who, before 1980, had been PCN [National Conciliation Party] leaders in those towns. Everyone is aware of this. Today, most of the party leaders at the departmental and municipal levels are former members of the PCN -- the same men who played those roles when the PCN was the ruling party of the military dictatorship. It is quite logical that things should be this way, quite logical, because Rey Prendes, Duarte, Alejandro Duarte -- Jose Napoleon's son -- and Viera, who form what within the PDC is known as the clique, cannot trust the rank and file of the PDC, the traditional rank and file of that pary. That rank and file fought and struggled in the 1970's when we were allies. They were persecuted just as we were. They were sent to prison. Communists and Christian Democrats went to jail together, suffered torture together. Therefore, it is quite natural that they should not trust the party's traditional rank and file. Because we know them -- the party's rank and file -- we know that there must be much shame and guilty consciences among them after seeing the role that Duarte has forced the party to play all these years.

We also cannot be surprised that throughout these years, members of the PDC's rank nd file have been murdered and persecuted. Duarte never did anything to clarify those deaths or to release those who had been arrested during the years that the PDC had been in government. These are men who most probably decided to continue being faithful to their ideas, the objectives of the people's struggle, to what we told the people time and time again. Well then, they do not trust, nor can they trust, the rank and file and have started new directorships with former PCN members -- men who walked out on the PCN after it was no longer the ruling party. I think that the PCN did not lose much by this; they left the PCN and joined the PDC where Fito Rey Prendes and the clique welcomed them and placed them in positions from where they can lead their companeros who struggled at the side of the patriotic forces for so long. Today many of them, even those who have remained fooled by Duarte's and Rey Prendes' words, must still be faithful to their commitments and seek a way to continue the struggle for those ideals that continue to be the ones that move the mind, actions, courage, and heroism of the Salvadoran people, who continue to be a part of those ranks.

Knowing as we know the PDC, its leaders, its middle level people, and its rank and file, I believe that not only the rank and file but also leadership circles must have guilty feelings and concern over the traitorous role that the PDC has been playing.

I don't knowe if this concern will lead to a renewal effort on the part of the PDC, to rescue the PDC. I do not know if this will happen, and if it does happen I do not know whether it will be successful or not. However, I am certain that there is this concern. I am absolutely certain that that party has not failed to be affected after having committed that crime, after having lent itself to such a crime. It has been affected.

I believe that in that party there is an accumulation of disruptive factors that will explode at any moment.

Duarte dragged the PDC into playing that role, and it is still playing that role. However, sometimes it looks like he sporadically gets flashes of that conscience he buried with corruption and with commitments to the enemies of the people. I am referring to his convoking of the meeting in La Palma and to the La Palma meeting conclusions, which he endorsed. Those conclusions were essentially aimed at setting in motion a process of dialogue to secure a political solution that would not be produced overnight, that would represent a lengthy effort, as he himself noted at that time.

A short time ago we thought we saw another of those flashes when Duarte dares make his own decisions: convoking the third meeting or dialogue. However, this time the flash lasted less time than when he called for the La Palma meeting. On that occasion the flash lasted 1 month. Afterward he was trapped, and he allowed himself to be trapped. He made no effort to save that situation. On this occasion it lasted less time, only a few days.

The high command trap, the U.S. Embassy trap opened, and Duarte walked into it. Later, as I said at the beginning, Duarte tried to escape. He tried to fill the vacuum created when his position vanished. In his effort to fill the vacuum he has made appeals, as I have said before. He has made appeals to me, especially. He has tried to present things as if there were differences between Joaquin Villalobos and me, as if there were a division in the FMLN General Command.

If there were a division in the FMLN General Command they would have defeated us already. Duarte's maneuver in this regard is truly ridiculous, a desperate action.

In spite of what we have said and the description we have given of the behavior of Duarte and the PDC leadership since 1980, I want to say that the Communists do not regret the 9-year period of alliance with the PDC. We believe we contributed to the political education of the people, that we created awareness, that we promoted unity among the people, that we contributed to their decision to confront the dictatorship.

We do not regret this at all. But, personally speaking, I do have something to regret: I regret having helped Napoleon Duart prepare his television programs and his speeches at that time. I contributed by telling him th ideas of our party, ideas that represent the feelings and hopes of the people. He used programs I told him about and they gave him prestige, they created his image as a leader on whom the Salvadoran people could pin hopes of political and social liberties.

Before joining UNO, the PDC had no clear position on important issues, like the agrarian reform problem, for example. Evidence of this is that at the agrarian reform congress convoked by the Legislative Assembly following the so-called curulazo [ouster of the president of the Legislative Assembly] in 1970, the PDC was unable to present any serious program on agrarian reform.

I remember that the PDC position on this very complex issue was contained in a 2-page, typewritten, double-spaced document. The position was completely superficial, bland, spiritless, and inconsistent.

When the UNO program was being prepared, the MNR and we were the ones who presented fundamental positions aimed at fundamental changes that the country requires and that the Salvadoran people want. One of these points was the agrarian reform. Napoleon Duarte had no expertise in these subjects, and we had to keep him informed and give him advice.

At that time we fulfilled the obligation we had as a result of the pact and mutual credibility that existed at that time. However, looking back, I do regret what I did. I regret not having had the capability to go deeper in evaluating this person. I believe that somehow -- and to a great extent -- we contributed to enhancing his image in the eyes of the people, to creating hopes about him among the people.

Comparing the 1970's with the 1980's, some things become obvious, and I want to point them out.

As far as we and the MNR -- two of the three members of UNO -- are concerned, we continued to struggle. We have taken on the responsibilities we had to take on. The Communists have taken up arms alongside the revolutionaries in our country. We have done the correct thing.

Duarte dragged his party to the opposite band, to the band of the oppressors and exploiters of the Salvadoran people, to the band of the U.S. empire, to the band of those who drown national independence, to the band of those who shamelessly sell the country for dollars.

It is not that there are opposing paths, as Duarte has begun claiming in his recent speeches.

The clash is on positions, and between the two sides that are fighting. The exploiters, oppressors, and enemies of the people and the country are on one side, and on the other are the Salvadoran people's forces, who continue to struggle steadfastly through other means and who fight the enemy on their own turf. That is the situation. This becomes obvious upon comparing the 1970's with the 1980's.

In his recent speeches and news conferences, Duarte -- in addition to making direct personal comments about me -- asked me to behave in a certain way. However, that was an empty plea, which he made in an attempt to come across as a good, sincere man. Well, there are several things I want to ask of him.

The last time we met in Caracas, in June 1979, Duarte told me some very interesting things. At the time he was president of the Christian Democratic Organization of America -- its acronym is ODCA -- a position he had been holding for several years. The secretary general was [Luis] Herrera Campins, who later became president of Venezuela. Duarte discussed with me various things about his experience as president of ODCA. He told me that as president of ODCA he often participated in meetings with ranking U.S. and FRG Government officials and that those meetings sent chills up his spine, because those people, he told me, talked about our peoples with so much contempt, discussed our countries' futures only in the light of their own interests, and completely disregarded our needs. He said that their cold-hearted, contemptuous remarks showed that all they sought was ways to manipulate our countries' futures. That was what frequently sent chills up his spine during those meetings.

Duarte did not make those remarks to just anyone: I was the secretary general of the Communist Party. I want to appeal to the memory of the struggles we waged during the 1970's, and to the commitments that we, the Christian Democrats and the Communists, made to the Salvadoran people together back then, as I ask Jose Napoleon Duarte the following: Napoleon, listen to me: I am asking you to draw moral strength from that struggle, to adopt a brave, honest stance, and to act patriotically, even if doing so may entail risking your life, being as you are -- because you chose to be -- surrounded by murderers, the same murderers we have been fighting for years, putting our lives on the line. I ask you to stand up to the Reagan administration and the military commanders. Don't follow their designs to prolong the war. Come to the third dialogue meeting as a Salvadoran, willing to come to agreements that will open a continuous, perserving dialogue process, in which we will listen to and take into account the opinions of all sectors of the Salvadoran society that want a political solution, until that solution and the just peace that our people desire are attained.

You insist on tying peace to our disarmament. However, you know very well that we will never lay down our people's weapons, because they guarantee that in the end their struggle will achieve freedom, true democracy, and social justice. Your administration has been a long succession of noncompliance and frustrations. It has proven that the people's wishes cannot be realized any other way in El Salvador. The weapons we carry are the only guarantors of a just peace. Without them, the Salvadoran people would be at the mercy of their age-old oppressors and murderers, whom our invincible weapons have compelled to approach the people a bit more, to speak gently with them and give them things. No one, not even the Yankees, can take our weapons from us. This is what makes the dialogue a feasible means of achieving democracy and peace.

The dialogue would be impossible if we laid down our weapons. No one can disarm us. We will not lay down our weapons voluntarily. You know that perfectly well, Napoleon. On behalf of the 9 years that we worked together for democracy and social justice, I beseech you to put your life on the line, to disobey Reagan's orders and take the true road toward a solution among Salvadorans, toward peace based on national independence, on the exercise of sovereignty and self-determination, on national consensus, true democracy, respect for human rights, and on the economic and social changes that are necessary to guarantee development and social justice. This is the only way of achieving peace in El Salvador. I want to be sincere and open in what I am going to say, as sincere and open as you yourself found us Communists to be when we were allies. I want to tell you, assure you, that if you make that brave, righteous decision, it will weigh very heavily on the evaluations we revolutionaries will make of the role you play, and of the kind of man you are.

[Question] Shafik: The government, high command, the reactionary circles, and the U.S. Government claim that our proposals for a political solution to the conflict are unconstitutional. Shielding themselves behind the Constitution, and as part of their efforts to prevent the dialogue for a political solution to the conflict, they have refused to acknowledge the validity of our proposals. What is the FMLN's view on this?

[Handal] Many things must be taken into consideration regarding that subject. It is a subject of crucial importance in the debate with the government, with the U.S. Embassy, with the Armed Forces command, with the entire right wing in the country. It is, I would say, the resistance's shelter in seeking a political solution of the Salvadoran conflict.

The issue must be considered from various viewpoints. I will try to do this. First of all, I want to say the following: This Constitution was prepared in the midst of the war, after elections carried out during a state of siege, in which only a fraction of the political forces in the country participated. Since that time, prior to the preparation of this Constitution, we have said that we would not recognize the legitimacy of the Constituent Assembly that was established, and that we would not recognize whatever it did. Now this argument persists. It is an argument created by the same people who support the Constitution. They made their Constitution, they held their elections, they formed their Constituent Assembly, they made their Constitution, they modeled it as they wanted it, and now they seek refuge in it. The government has not behaved very seriously. It has failed to recognize the concept itself, its causes, its consequences, its roots. It has turned its back on national reality. The Constitution does not in any way reflect national reality, or the true political scope of what is happening in the country.

As far as social aspects are concerned, the government decreed the Constitution, going against the opinion of the majority of the people, and against the peasants' opinions. The peasants demanded consistency in the application of the agrarian reform, which ended up being buried in a pact made behind the people's backs just as the formation of that provision government that emerged from the constituent elections was a pact made behind the people's backs.

The government was headed by Alvaro Magana, [words indistinct], who was never considered part of the electoral struggle, of that reduced and partial electoral struggle. Alvaro Magana had not even been mentioned, and he ended up as provisional president of the government. All of that was a masquerade. The masquerade was arranged by General Vernon Walters, who was sent by Reagan to El Salvador. It is well known that Walters gathered the leaders of the political parties, and he met with the Armed Forces high command separately. Walters threatened the Armed Forces high command. He is also said to have threatened the party leaders, and this is how the pact of the so-called Government of National Unity emerged. This is how the Constitution was created. What Constitution are we referring to? To a Constitution that really expresses the nation's desires? Absolutely not.

We said then and repeat today that we do not recognize the Constitution's legitimacy. That is the first aspect. The second aspect of this issue is that no other Constitution in the history of our country has ever been respected. The same people who today allege that the Constitution should be respected and because of this do not want to make way for a political solution of the national conflict are the same people, representatives of the same social classes, of the same sectors, who throughout the country's history have trampled upon the Constitution and violated it on countless occasions.

Regarding the peoples's interests, citizens' rights, guarantees, liberties, and human rights, these have been constantly and permanently trampled upon. It is also insincere and even cynical to try to seek refuge in the alleged sanctity and a sancrosanct respect for the Constitution. If there were not so much tragedy and suffering in the midst of it all, this recent boasting about the Constitution and this war against the (?opposition) would be laughable. That is the second aspect. No Constitution, not even this current one, has ever meant anything to the dominant classes, or to the Armed Forces leaders, or to the Americans, that is, the U.S. Government in our country.

The third aspect of this issue is that even within the limits of this Constitution, which these gentlemen claim to respect and demand that others respect, it is perfectly possible to work. I am referring to the limitations of the Constitution. It is perfectly feasible to carry out the political solution that we have proposed. We have spoken, for example, of reorganizing the government. How many times have the so-called constitutional governments in all the countries of the world reorganized without anyone making a scandal about the constitution?

Why is it unconstitutional to do this? Speaking from the juridical standpoint, eliminating the political aspects I already referred to, speaking from the purely juridical point of view, why is it unconstitutional to reorganize a government? That position is really untenable because the Cabinet, all of the key government positions are not subject to elections. The only positions in the executive branch subject to election are the posts of president and vice president.

Subject to election are the posts of deputy, mayor, councilman, but these posts do not constitute the entire government. They are a skeleton of the government. What constitutional decree, from the legal point of view -- I repeat, I am speaking from this point of view -- prohibits the reorganization of the government? There is absolutely none. This argument, is also, false.

Finally, one more aspect. What is most important in my opinion? All of the Salvadoran people yearn for peace, they want peace, they want a political solution of the conflict. That is admitted by all, including those opposed to a political solution.

This feeling and demand are over and above all constitutions. Even if the Constitution were legitimate; even if the Constitution were respected by the gentlemen who are now raising this argument; even if it were so -- which it is not in either case -- even if the Constitution were juridicially opposed to a solution to achieve peace, peace ranks above every constitution. The will of the Salvadoran people -- from which sovereignty supposedly emanates and from which the legitimacy of laws, including the Constituion, emanates -- favors peace and a political solution through dialogue, through the search for a just solution through dialogue.

Therefore, the argument pitting the Constitution against peace and the will of the Salvadoran people is neither acceptable nor valid. These would be my comments. I think the time has come for an assualt on this last redoubt of resistance to dialogue and to a national search for a solution among Salvadorans. The time has come for assaulting that position, for destroying that position with solid arguments and the conviction -- that the constitution is not and cannot be an obstacle and that this is a means or an argument to prevent peace and a political solution from being achieved in our country.

This is what I can state in this regard. I might add something else, though. One ponders: The people, the overwhelming majority are in favor of a political solution, of a dialogue to achieve a political solution. This has been quite obvious in the last few days, or in the last few weeks. Virtually no national sector has stayed out of the debate on this problem. Even the sectors opposed to a political solution have found themselves forced to join the debate, because this issue has been so important up to this point and is so much at the heart of the thinking and aspirations of the majority of our people that it cannot be overlooked. If this is so, if this is in fact the will of the nation -- with the exception of some very small groups -- one asks oneself: Why not promote it?

I think it is also time to think about this problem. There is only one answer, a very clear one. It is in the air and everybody is breathing it. However, not all are conscious of it yet. There is only one answer to this question: The door is not being opened to the process of national dialogue to seek a political solution to have a just peace because in first place, the U.S. Government is opposed to it. The main tool used by the U.S. Government to oppose it is the Army high command, the Armed Forces high command, which is committed up to its neck to the direction, or leadership that the U.S. Government imposes on it.

Furthermore, the high command is not commited out of its own free will, but because of corruption. The war has become a business.

The hundreds of millions of dollars reaching the country to continue waging the war and to promote the country's destruction -- so that the only thing left will be what U.S. imperialism and the (?worst reaction) in the country can control -- the war that is being waged with this dance of hundreds of millions of dollars has also opened the chapter of large-scale corruption among the Army high command and the top echelons of the government. Everyone who has access to the handling of these hundreds of millions of dollars gets his hand in it.

The trend in the U.S. aid is to grow and, therefore, the tendency in this business is to thrive even more. This is the way the alliance, that is, the subservience of the Armed Forces and the leading government officials, to the U.S. Government has been established. This subservience is based on the corruption, based on barefaced bribery with dollars.

That is why we have contended that the main and more decisive task to achieve peace is to stamp out the meddling by the U.S. Government in El Salvador.

GUATEMALA

QUINONEZ ON NEUTRALITY, U.S. 'PRESSURES'

PA261847 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 26 Jul 86

[Text] Guatemala has reiterated that it will maintain its policy of effective neutrality in the Central American conflict. This was reported by Foreign Minister Mario Quinonez Amezquita, who added that our government will maintain its position of seeking dialogue as a way to solve all problems.

He said that Guatemala rejects the pressures of U.S. diplomatic envoys to form a bloc against Nicaragua. It seems that the idea of a Central American parliament -- cleverly torpedoed by the United States -- is to have all the area government represented in it; if not, no one will be a member in the proposed body.

Fortunately, Guatemala wants a peaceful dialogue instead of military actions. It has been shown that Guatemala is clearly seeking a negotiated and peaceful solution, through a dialogue, for the conflicts in the area, instead of solving our problems through military action.

The Christian Democratic government has been firm in this intention, and despite the efforts of Honduras and El Salvador, it has included Nicaragua in its rounds of negotiations. What we are seeking is to tell the world: We are five Central American countries, not four.

DEFENSE MINISTER COMMENTS ON AMOCO SUSPENSION

PA262305 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 25 Jul 86

[Excerpts] During an interview that Defense Minister General Jaime Hernandez Mendez granted to this newscast, he commented on the security the Army provided in areas where the guerrillas are operating.

It was recently reported that U.S. Amoco Oil Company had suspended its field activities due to a lack of security. However, it was learned today that this could be an excuse by the oil company to obtain an extension of its lease as the term stipulated by the law is drawing to an end and it has not yet conducted the drilling it is legally bound to do. Defense Minister Hernandez said that Amoco did not accept the Army's protection.

[Begin recording] [Hernandez] I do not think that [word indistinct]. When the company came here, the government offered and even gave them security, but the company felt that the security could make them a bigger target for the subversives. Company officials decided to withdraw the security. So far, they have decided to temporarily leave Guatemala in view of the threats they have received. Yet there has not been any direct action against them. I believe that once the Army gave them protection, they should have been working. Instead, they decided to take this action. However, we offered them effective security. I feel that they should be working.

[Reporter] Can we say that the subversives' actions in this area are out of control?

[Hernandez] No, not at all. We have offered to provide greater protection to the companies working there so that they may continue with their work.

[Reporter] Has the military detachment working there received support so that it can provide greater (?protection)?

[Hernandez] Yes. The detachment has gotten support. It has been specifically ordered to efficiently protect the oil companies so that we can keep them working in the area.

[Reporter] Have the oil companies requested protection?

[Hernandez] Yes, they have asked for it, and we have provided it. [end recording]

Gen Hernandez Mendez said that there are no urban guerrillas, but rather armed common criminals in the city.

[Begin recording] [Hernandez] We could not think that there are subversives in the capital city. There have been isolated incidents. These people have had opportunities to acquire weapons, because of the proliferation of some weapons some from here and others brought from abroad. Civilians are in possession of these weapons. However, at this time we could not speak of an increase or of the transfer of subversive actions to urban areas.

[Reporter] In addition to other criminal actions without political overtones, or rather, common crimes like murders, could there be any other force perpetrating these crimes, which may mean that the guerrillas are moving to the cities?

[Hernandez] No. I feel that chiefly common criminals are operating in Guatemala. If there were room to think that there could be other groups operating in Guatemala and related to the urban subversion, I would rule that possibility out. I would have to say that these are common criminals. [end recording]

[passage omitted]

General Hernandez said that the judge seeking missing people is free to enter the military garrisons.

[Begin recording] [Hernandez] I have given precise orders to the diverse commando units in the country. When the investigating judge comes to their commando units, they are to listen to him and allow him to enter the garrisons so that he may fully learn about the situation. I understand that he has already gone to Quezaltenango and to the garrison in the capital city. The military staff in the capital and Quezaltenango met with him. There is no [words indistinct] of that situation within our military forces. [end recording]

The defense minister said that his institution is adhering to its active neutrality, and he announced that he was going to travel to Panama during the last week of August.

[Begin recording] [Hernandez] As an insitution, as the Army of Guatemala, we adhere to the president's policies of active neutrality, speaking in military terms. However, we could say that in political and diplomatic terms there are some variations. We could consider those variations in view of the problems in Central America regarding the Catholic Church and the news media. In those fields, observations are in order from the Guatemalan Government to the Central American countries that may have these problems. [passage omitted]

I will most likely visit the U.S. Southern Command during the second half of August. That date has been agreed upon. [end recording] [passage omitted]

HONDURAS

TAXI DRIVER ARRESTED IN ATTACK ON FDN MEMBERS

PA282306 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 28 Jul 86

[Excerpt] Honduran secret police have taxi driver Raul Gomez under arrest as he has been accused of being the driver of one of the vehicles that transported the individuals who on Thursday machine-gunned a house in Colonias Lomas del Guijarro where FDN counterrevolutionaries were meeting. It was also reported that police are searching for another car with the sign Milagritos that transported another group of attackers.

The residents of this capital neighborhood told the media that seven individuals were seen arriving in two vehicles, but could not be sure that they were taxis. However, the police learned that two taxis, and their drivers were hijacked and, after their registration marks were erased, were forced to go to the home of Jose Tefel Pasos, a Nicaraguan-naturalized Honduran.

It was reported that the taxi driven by Raul Gomez, originally from San Francisco de la Paz, Olancho, was confiscated, although this was not confirmed by the police source. The police are looking for one that has a sign on the back that reads Milagritos. [passage omitted]

ASSEMBLY APPROVES TREATY PROTOCOL WITH U.S.

PA260322 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 24 Jul 86

[By Andres Torres]

[Excerpt] The bill on Protocol 1 of the U.S.-Honduras Mutual Military Assistance Treaty was approved last night after the third and final debate. This treaty was signed in 1954 and extended by a legislative decree in November of last year.

The discussion of this protocol consumed the most time in the Congress. Protocol 2, which deals with military bases, was not even discussed by the Congress. Some aspects of the national legal system that have been criticized are the diplomatic status accorded to some U.S. military personnel and the jurisdiction of U.S. military courts in case of misdemeanors by personnel under U.S command. However, the Supremeo Court of Justice irresponsibly declined to express an opinion on this protocol, arguing that the agreement was more political than juridical. We sincerely feel that the court shunned its responsibility with a euphemism that can be described as vulgar.

The debate would have been even easier for the Congress if the judicial branch had done its duty. Nevertheless, the general opinon of the deputies was that in view of the danger lurking in front of us, it was mandatory to constitutionally ratify the protocol. Diaz Arrivillaga tried to have the Congress postpone the debate, but his motion was rejected. The (?discussion) centered on speeches by Diaz Arrivillaga, Landaverde, (?Gavillon, Miguel Pabon Aguilares, and Diogenes Cruz. Among other things, they referred to the foreign occupation, the violation of the national sovereignty, and their children's future.

Nevertheless, the Congress' decision was unequivocable. Barely eight deputies voted no. The rest voted yes. In this way, Protocol 1 joins Protocol 2. Constitutionally, the two documents come into force as part of the Honduras-U.S. Mutual Military Assistance Treaty. With this opposition by the liberal faction, we feel that Azcona needs no opposition from the other political parties. He already has opposition in his own party. [passage omitted]

NICARAGUA

ALANIZ REPORTEDLY APPOINTED AMBASSADOR TO PRC

PA281606 Managua Radio Sandino in Spanish 1300 GMT 27 Jul 86

[Text] Radio Sandino has unofficially learned who is the first Nicaraguan ambassador to the PRC. Alfredo Alaniz will be the head of our diplomatic delegation in that country. Alaniz is director of the Nicaraguan Institute of Fisheries, Inpesca, a post he has occupied for more than 2 years. Companero [Yu] Chengren, the first PRC ambassador to Nicaragua, presented his credentials to the Nicaraguan Government 15 days ago after the establishment of diplomatic relations between the two countries.

TANA SECRETARY CALLS ORGEGA UN VISIT 'TRIUMPH'

PA250444 Managua Radio Sandino in Spanish 1930 GMT 24 Jul 86

[Text] Today the upcoming visit of President Daniel Ortega to the UN Security Council was described as a new triumph over the U.S. Administration by Freddy Balzan, executive secretary of TANA, Central American Anti-Imperialist Tribunal. Balzan said that the visit of Commander of the Revolution Daniel Ortega to an organization such as the UN Security Council expresses the solidarity of the peoples of the world to the just demand of a people under attack. Let us listen to the statements made by Freddy Balzan:

[Begin recording] In the first place, we think that the visit of President Daniel Ortega, commander of the revolution, to the UN Security Council is highly important, not only for the achievement of peace in Nicaragua and Central America, but also for peace in all Latin America, because in view of the U.S. Administration's violation of, and contempt for international legal order, the fact that the United Nations and the UN Security Council have agreed to receive Daniel Ortega and to listen to his demands is a great honor by that international organization.

President Ortega's visit shows that the U.S. plot to try to neutralize the importance of the United Nations, which was proved by the United States' withdrawal from UNESCO, as well as by its reduction of economic funds for the United Nations, is really secondary in comparison to this organization's importance for world peace.

Now that solidarity with Nicaraguan is growing; now that nations are convinced of the justice of Nicaragua's position; now that numerous nations have reiterated their support for the Contadora and Support Group peace efforts, the positions sustained by several Central American governments including those of El Salvador, Honduras, and Costa Rica are unmasked. These positions are totally directed by the U.S. Administration.

President Daniel Ortega's visit to Washington has aroused great interest because there is a possibility that the United States will resort to its UN Security Council veto to neutralize or flout any resolution made there.

However, without knowing if Nicaragua will present a resolution to the UN Security Council, we think that Daniel Ortega's mere visit to that organization to demand respect for the International Court of Justice ruling from all the UN member-nations is already a great Nicaraguan victory and another defeat for the U.S. interventionist, warmongering policy. [end recording]

EUROPEAN VOLUNTEERS MURDERED BY 'MERCENARIES'

PA290038 Managua Radio Sandino in Spanish 0020 GMT 29 Jul 86

[Text] A few minutes ago Foreign Ministry sources informed Radio Sandino of another brutal action carried out by Somozist mercenaries who are paid by the Yankee government to cause bloodshed in Nicaragua. Mr Reagan's mercenaries today took the lives of three European volunteer workers and brothers. The volunteers -- a Swiss, a West German, and a Frenchman who had adopted Nicaraguan citizenship -- were ambushed and murdered near Wiwili, the Foreign Ministry source said. The source added that in the next few hours an official report will be released on this new crime carried out by the Somozists who are incapable of confronting our troops and who instead take it out on the friends of the Nicaraguan people who are not soldiers.

TWO CONTRAS EXPELLED FROM COSTA RICA

PA250450 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 24 Jul 86

[Text] The Costa Rican Government today expelled two counterrevolutionaries who had been harassing EPS troops from a camp located in Costa Rican territory. The counterrevolutionaries maintained a camp in the Las Chorreras Farm, on the banks of the San Juan River. The presence of mercenaries in Costa Rican territory has been reported by the residents at the border. On previous occasions the Costa Rican authorities had ignored the reports on attacks against Nicaragua from Costa Rica.

CASTRO SPEAKS AT CENTRAL COMMITTEE PLENUM

FL251712 Havana Television Service in Spanish 0030 GMT 25 Jul 86

["Excerpts" of remarks made by President Fidel Castro at second plenum of Cuba's Communist Party Central Committee, held at Havana's Palace of the Revolution on 17, 18, and 19 July -- recorded]

[Text] We must see how we will focus and resolve that calamity, but we have to begin with one concept. The concept is that projects have to be completed.

It is noted with regret that the textile factory in Santiago de Cuba was inaugurated 3 years ago. Now, one reads that there are 150 construction projects. There is some expectation that the brigade may someday finish the textile factory. Now we discover that the entire textile factory is getting wet. It is possible that the entire factory roof may have to be reconstructed.

There are errors in design, many errors in design. There are errors in the way projects are carried out. Roofs here are made to last 5 years. That means that one day the entire country will have to dedicate itself solely to roof constructon. We have to become accustomed to the idea of making a roof last 5 years. The problem of roofs in this country has not been resolved, and we have been speaking about this for 15 years.

I do not know if it is because many people are self-sufficient that they want a particular material. If we scratch the roofs, we will find many atrocities, just in scratching the roofs alone. This was just discovered the other day in a very dramatic way. Upon finishing a Politburo meeting the day following the Havana enterprises meeting, which was attended by comrades from the province and several ministers, Lazo [Estuban Lazo] said to me, Commander, I would like to tell you something: The Santiago textile factory is completely wet.

I do not think this was known previously because it did not rain in Santiago, and a good downpour had fallen by the time he told me the news. I already knew that the factory had problems in operations, beginning production, discipline, and many other things that Lazo reported to me.

I said, Lazo, that problem has to be resolved. It must be resolved. No matter what the cost, it must be resolved. Analyze it. I think it is a problem of materials or something else. It has been said many times that it is a problem of materials.

We have built flat roofs without knowing the reason for building flat roofs. The Santiago de Cuba textile factory has no slope whatsoever. There is no slope anywhere in the entire 140,000 square meter area. What were our technicians doing? What is the reason?

A few days ago I received a report from those who know everything [los eminencias] which I read at night. It was on the topic of roofs in La Cujay. Several problems were stated. For example, they said that the asphalt produced here is not roof asphalt. It did not mention flat roofs, slope problems, or any other problem. The problems discussed were related to execution and quality of materials. However, those who know everything did not mention any other problems.

It is obvious that we have a level of ignorance, a threshold [umbral], a threshold of ignorance which we do not go beyond, at least in some cases. In other cases, we exceed that threshold, but here there is a threshold of awareness. Here we have a flat roof on a rainy day, and there is no one who will pass 1 mm [from that threshold] because we have been this way for many years.

That is why I said at the National Assembly meeting that this could possible be a problem of the self-sufficiency of technicians.

No one here has ever stopped to think or wonder about the kind of roof that has to be built in a country that frenquently receives 1,200, 1,300 [unit not specified] in 24 or 36 hours. Even 400 mm. Not too long ago, in 1979, during the nonaligned [meeting], 500 mm of rain fell in Havana. The airport flooded. Everything flooded.

No one here has ever asked what kind of roof, what roof design is needed for this country. I do not know how many hundreds of technicians we have. I think we now have thousands of technicians, architects, engineers, and we have not learned, we have forgotten how to make roofs in this country. This is a very sad, painful truth. I have not seen a single technician in this country, not one, who has questioned the way we make roofs. We build them to last a few years. Sometimes, we use improper material, and what we use is installed incorrectly.

I think that the time has come to resolve the problem of not finishing construction projects. This has come up in every assembly meeting in every province. For my part, I am trying to make a small contribution to the problem by analyzing Havana City investments.

I would like to make a comment on what Lage [Carlos Lage, first secretary of the Union of Young Communists] said. It seems to me that what Lage said is very good. It is well focused. Above all, the concrete solution he proposes is interesting.

I think there may be reasons other than unemployment. I believe that.

I have made statements on the judicial element, which in my opinion do not have to do with unemployment. They have to do with justice.

It has to do with a boy completing his military service and not having an opportunity to work. This is a basic priority that we should meet when they complete their service, just as is being done in education.

There is an expanded and growing number of schools for all the boys who are middle-level technicians with a degree so that they have the opportunity to study at the university.

I ask myself if unemployment is actually our basic problem. I do not think so. I think there are other problems, the lumpen and delinquency which originate this and other factors. They are absent. The boys do not study or work. They just hang around. No one controls them. They do not want to work. Others are not certified or have some other reason for not entering the service. They neither complete their military service nor work. They do nothing.

He [Lage] proposes good solutions. Returning to work after finishing the Army service is one possibility of joining a contingent of agricultural work. These are good solutions, but in my opinion...[changes thought]. I see these as good solutions because they have to do with the problems we have.

If we do not have enough people in agriculture and production is not met because of lack of people, that is a problem we have.

Now we have heard about unemployment. Where is the unemployment? They tell me that there is unemployment in Santiago de Cuba. A textile factory is being built in Santiago de Cuba that could employ 6,000 people. The people of Santiago are incapable of making the textile factory operational.

It would be unfair to blame the Santiago residents. We are incapable of making the textile factory operational. I told Lazo that we must speak to the people of Santiago to awaken their shame because there is a lack of shame in Santiago. The 25 percent rate of absenteeism is unjustifiable. It is truly scandalous.

How can the unemployment problem be resolved? By building a factory? One then reads what happens with the texile factory, truck transformer factory, and all other factories. If unemployment is solved by building factories, then we have to continue building factories in Santiago that do not function. I think that is much more serious, much more serious than the fact that there are some unemployed people in Santiago, who we cannot bring to Havana to orient them in general in construction work and in what we have now put an end to here.

Nevertheless, it is not the main problem. The more serious problem is building factories that we are not capable of building well. We are not capable of making it productive once it is completed. We are not capable of labor discipline. That is serious.

Lage, I'm telling you sincerely that, in my opinion, that is more serious than the problem of unemployment. You have enumerated many problems that are the serious problems. We are building factories, and I am always pressuring the central planning board [Juceplan] and others: We are going to locate the electronics industry in Santiago, we are going to locate something else in Santiago, we are going to create jobs for Santiago, for Bayamo, for Guantanamo. What is really serious for the revolution is that we make the investments, build the factories -- poorly or well -- semifinished, and then we are incapable of putting them into production. I believe this is the truly serious problem of the revolution, not unemployment! What are we going to offer Santiago? More factories? What for? So they won't be built, so they won't be completed, so we will be unable to put them into production, so there will be no discipline, so there will be no production? I believe this is the most serious problem of the revolution today.

As you have properly said, there is more than enough work in this country. I want to work in construction, for example, wherever there is a need for work here; not for bureaucracy but for real work.

I am telling you that when one hears about the problems that exist...yesterday they were telling me that 10,000 workers are needed in the mountains in Oriente Province. [unidentified person corrects Castro] Ah, in Santiago alone! Santiago alone needs 10,000 more workers in the mountains. Santiago alone! [Castro laughs] If we want coffee or cacao or whatever, we need 10,00 workers. For this reason, I think that some of the ideas you have put forth regarding the Army, regarding finding a formula, Lage, to put the people to work...[leaves thought unfinished] Let them work in coffee, in cacao, in reforestation, in construction, wherever we need them. I think that is the problem that must concern us. Let there be coffee, cacao, agricultural production, construction projects. Today, I confess that this worries me much more than unemployment, and I have always been concerned by the problem of employment. Because I think it is truly horrible that youth who wants to work does not have a job when it is possible to give him one.

I believe it is also a good idea to have a census of all these young men. I believe that no matter how perfect the planning is, the training of medium-level technicians will never coincide with the other. I have never been in favor of closing technological schools and sending the children home at the age of 13 or 14 or 15 for lack of a job or a place in a preuniversity institute.

I prefer them to study. All my life I have supported their studying.

Now, because it is impossible to guarantee a job to those that I trained to keep them from loafing at home or wandering through the streets...[change thought] I can't guarantee them jobs for which I trained them; their training should be adjusted so far as is possible to the needs of the country, but they will never coincide exactly. I support that idea: an inventory of all the youth that are living under those conditions. I would find a way to resolve their economic situation, and I would assign them to study systematically, or I will put them to work.

We have taught a lot of Marxism, dialectic materialism, historical materialism, lots of things. I believe that in this country neither books nor articles nor writings nor lectures on Marxism have been lacking, but we have not taught the people that the first duty of a revolutionary and of socialism, and the first duty of the citizen, is to work hard and produce, with responsibility and discipline.

When one reads about what is happening out there, one much reach the conclusion that the idea of responsibility, of duty, and of work has been lost here. I sincerely believe that this is our greatest problem and the evil against which we must struggle.

I think that the things that Lage has proposed can help us to combat that kind of evil and, secondarily, unemployment. Because the problem of those who do not work...how many are there? There are a lot of them who do not want to work or who do not like the job they are given. I believe that many of the measures that Lage is suggesting are very good, especially in that they help us to resolve other problems that concern us more today. The problem of unemployment is not the country's basic problem now. I wish it were!

First, they must be capable of completing them, of completing the 150 construction projects and saying this is done, after fixing the roofs, which is a hard job that must be done. Then production must begin. I believe we must appeal to the sense of shame of the people of Santiago, of the Province and of the municipality. I was telling Lazo yesterday that it will be necessary to tell the citizens of Santiago to work hard and not ask us for more factories. We cannot make investments in factories where they are not capable of building them or completing them or putting them into production. We are not the only ones to blame, although fundamentally the blame is ours. In rectifying, we must demand a lot from all the cadres and organizations but we also must make demands on the people and on the workers. We must not always use paternalistic demagoguery.

I told Lazo they should not believe that the fourth party congress will be held there because it is not a sure thing that the fourth congress will be held in Santiago de Cuba. If Santiago de Cuba is incapable of deserving to host the fourth congress, you may be sure that the fourth congress will not be held in Santiago de Cuba! I believe we have to tell the people of Santiago, and especially the workers at the factory, and others because as you well know, it is not only the textile factory. There are problems in a good number of places there. We build an enormous factory where unemployment is said to exist, and more than 1,500 workers are absent from work every day, because 25 percent of 7,000 is, I believe, more than 1,500.

Is there even a notion of what discipline is in a factory where 1,500 people miss work every day? Can this be called discipline? I know that absenteeism at the textile plant has been high, and logically -- as Esquivel says -- where so many women are employed [words indistinct] noise. The modern factories such as Desembarco del Granma, the modified Ariguanabo textile plant, the Santiago de Cuba textile plant with air conditioning. The enormous expense at Ariguanabo is precisely because of the air conditioning, gentlemen. With machinery that makes a lot less noise. [sentence as heard] The work is hard, and most of the workers are women.

It is logical, and we should not for this reason decry the presence of women workers, as some people do.

There is a very large number of family doctors who are women in one place, 37 of 41 family doctors are women. This does not sadden me: it makes me happy. They have greater access, they are having greater success.

There are many women in reserve for pregnancy cases. Those women's cases are pregnancy cases. Besides, they are not going to have absenteeism because they will reside upstairs above the consultation office. they will be right there. They will not have to ride the bus. But, these are cases of pregnancies and childbirths. We know that some of the factories will inevitably report absenteeism because of pregnancies, childbirths, sick children, all those types of problems, and because of the role still being played by women at home, which is not being shared by others. Logically, there is going to be absenteeism.

Then an analysis should be made to determine why the party is confused, why so many people are confused. It could also happen because I am the one who speaks out. I believe that is one of my duties. What would be wrong is that not even I would speak out [Castro hits the desk] Associated with all this, I believe there is a little bit of the opinion that everything comes down from the top. It is also true that many things have come down from the top through the Politiburo. Along the way one can find many inventions, and many responsibilities. It is also true that in many instances that we -- we said that in the last meeting... [changes thought] this is not the only thing being done, comrades. In reality, comrades, you may rest assured. This is a document like many others brought here.

We are doing many things. Even when we met on Saturday, the Politburo meeting, this had already been prepared. It was modified, it was adapted to certain views we expressed in that meeting, but this is what was going to be presented. But, this does not deal with a number of recommendations I am submitting, things we should do. No, the party leadership is implementating a number of practical measures. We have even established a commission -- the commission for economic management, the system of economic management and planning. We have even proposed that... [Castro leaves though unfinished] on that day we decided to designate persons in charge for those that did not have them. [not futher explained]

But, in addition, we asked that the ministers should participate in a first meeting, not that they send a vice minister here because we have to go over many things and make decisions, what has to be done with a number of things. I would have liked to bring some of them here to hear different views. Well, thanks to what Penalver [not further identified] proposed, we have been hearing different views, such as this, this topic, where we are, how it is established. We have delved into it. We are satisfied. He says this is peaceful. I am happy.

In the past the Junta prepared the plan. Today the plan is put together with everybody's participation, such as people's governments, everybody working together throughout the year. The comrades in this commission will examine a large number of tasks we gave them, and told them that these measures must be adopted because they should be. The measures we are going to adopt are to carry out what has been established. Because nothing that had been established was being done. Everything that is wrong has to be corrected and, with respect to the rest, all has to be studied carefully. When the results come back, the Politburo will have to discuss them. Now, when the commission comes back with its proposals, we will all be responsible. We will approve it. At least we are responsible for those things we approve, other things that are made up on the way we cannot assume responsibility for them. We could be responsible for not having found out in time, immediately. Because on the way you cannot imagine how many things are invented.

When I hear talk about bonuses... I did not want to get involved in all the discussions. When I heard there were 200 and more regulations on bonuses, I was tempted to ask something I would like to know. How were those bonuses approved? I can assure you all that it was never discussed by the Politburo. I can remember a few things discussed by the Politburo and the executive committee. We used to get together about them. I can remember the first time we discussed the case of workers whose skills could not be used but remained on the payroll. Today many of the problems we have are nothing else but cancerous deformations of things we had adopted at a certain moment. The blue mold plague hit the tobacco plantations hard, and the time came when entire cigar factories stopped production. Then we had to decide what to do with those workers, fire them?

What was agreed upon was to keep on the payroll those workers whose skills were not being used. Now one has to imagine how the idea was metamorphosed and everybody in the country ended up as a worker whose skills were not being used but remained in the payroll but, how something like this can happen is incredible, how can something like this be abruptly discovered, a phenomenon like this. Sometimes we have made the mistake of believing that important decisions such as this are made by geniuses. I believe there are political problems. I believe that it is not easy to explain how many party cadres are involved in this, or have not realized what is going on. Because many times the workers might have questioned this. They trust the party, they trust the party leadership and probably said this came down from the party leadership. This must be good.

I imagine there must have been a lot of people who thought it was an atrocity but must be good because it was approved by the party, it was decided by the party. This is an atrocity, they must have said. I cannot understand this, I do not like it, they said; it must be good if the party approved it.

Referring to exploitation in agriculture, many places report taking advantage of 4 hours, 5 hours, or even 6. Many times I tour construction sites, and I see people doing nothing, sitting down or standing up, and even lying down. They are not at fault, because some of them are sitting down in the warehouse area. You ask: What are you doing here? They respond: We are waiting for someone to come. It is a matter of going over there and making them go to another place to do some other activity.

I can see lots of wasted time. Of course, occasionally I run into something else, such as everybody working. Many factors make that happen some are objective, others subjective. Now that we are talking about workers whose skills are not being used but remain on the payroll, we must be aware there is a more serious problem than the one those workers pose, even though it has to be solved because it is part of the disorder and of unwise solutions, and of intentions which have been deformed, of objectives which have been misplaced.

Of course, we know that the solutions are not going to be found here, what we want is to have an opinion, views, etc. We want to hear here what has been said, what the people propose, what the people want, above all in meetings such as this, party meetings, enterprises' meetings. That is the way to have a better idea when we make decision, that we may come closer to what the best solutions are. But, in the Havana meeting with the enterprises you [unidentified person] or Alfredo [not further identified] proposed to seek various formulas for all sectors. Of course, there cannot be very many categories of solutions. There must be some general principles, such as we asked Benavides. [unidentified speaker responds affirmatively]

If there is no work, and he has to be sent away, and there is no work in the province, and he cannot work as a self-employed person, and he has no other job, I think we have to reduce that guarantee to a minimum and formulate a principle applicable to all sectors.

In that same enterprise, I asked a worker -- no, he was a supervisor there -- I asked him what they do with the workers whose skills are not being used but who remain on the payroll. He said we have such workers in the enterprise becasue there is always something to do. I said fine, but there are so many people in this situation everywhere that it seems to me there is no unified criterion. I aaked him how he exercised authority. He said, what I do is to take off my shirt and work beside them all day. Hurray! I asked him, do you do it conscientiously? He answered, I am [the workers'] conscience. I went back a few days later, his name is Miguel Angel, he is 32 years old, and I asked him what were you trying to tell me when you said you are their conscience? He said, I try to serve as an example here. Then other workers came out and one told me, look, if the boss here goes over into the shade, we get into the shade. But if we come here and see he is out working, all of us stay on the job. Miguel Angel is a wise man who knows a lot; he told me, this way I have authority, moral authority. I asked, isn't it hard for you to direct your workers? He said, no, it isn't hard. I saw the men working very hard there in the month of July at 2:00 in the afternoon, 3:00 in the afternoon, which is 2:00 suntime.

I want to know what it is that makes it possible for things to go well in one place and not in another, why one boss is effective and motivates the workers. If we could respond to these questions, where it is breaking down, where the basic breakdown is... I am concerned by the fact that at the meeting at the cooperative, it was commented that the cooperativists are becoming corrupted, too. Peasants used to work more but mention was made there of cooperativists who work four or five hours doing farm work.

You said something important regarding the sacred nature of work hours. [an undientified speaker responds, yes] I believe the work schedule is constantly violated, for any reason, for any meeting, for any assembly. If we could establish as a principle that the hours of work are sacred and cannot be interfered with for any reason, I believe it would be an important step.

I am inclined to believe that we must give the worker some guarantee. I can visualize a good worker at an important installation affected by a serious complication such as raw materials because of a shortage of foreign exchange, and not even the government is at fault or any member of the administration, of course, sometimes orders are not placed on time, and it is easier to send the workers home with 70 [probably 70 percent of his salary]. I believe there has to be a certain contradiction between this worker ..[changes thought] it seems to me that if we reduce the guarantee to a minimum amount, and if we also say, after having searched for other work for him in the province so he can earn what he is being paid, if we also say, if you work at another job you lose the guarantee. He has a guarantee now. I remember when it was established. He has a guarantee and works, or he becomes self-employed, which is the best thing many of them can do. Many are better off to be on the payroll and not work; this includes construction workers, mechanics, and public service employees. They are on the payroll and do other work. There are a lot of other problems: theft, spare parts, pilferage. If we begin by taking away that guarantee, the privileges they have today, I believe no one will be able to feel very happy. Either he finds another job and earns the wage that corresponds to that other job or he accepts transfer to another activity. This could be too drastic, in my opinion. This is something that we fortunately are clearing up. What shall we do? Not send him home but keep him at his place of employment, where he is in the way? In some cases, another task can be found for him. I am inquiring about practical details. What do we do if it is a matter of 1 day? Do we have to start the hassle then? What do we do if it is for more than 1 day; in a good work center, with good personnel, and he is a good worker? We don't want to send him to social security,do we? There is social security aid for other cases.

I believe that, after all the other possibilities, the last one remaining is to send him home, and if we are interested in that worker, we must give him a minimum guarantee, I think. It seems too drastic not to give him any guarantee at all. I asked about this earlier. What did we use to give? one hundred percent. They used to mobilize them to cut cane, but times have changed. I believe some comrades are still being mobilized.

When the microbrigades were brought back with a plus-work spirit [concept whereby workers work harder to compensate for a reduction in numbers], which will be impossible to achieve in many places because of an excess of personnel.

I have said that with the numbers of personnel who are on the payroll but not working, with them alone thousands of housing units can be built in this country. I do not foresee much difficulty here in Havana next year for certain plans we are drawing up. They can work on the construction of the family doctor projects or on the construction of day nurseries or polyclinics. Or they can give a big push to the housing units that are being built. We should provide more resources to make this more feasible throughout the country.

Now, they should be paid in accordance with the work they do, and we should reduce to a minimum the possibilities that anyone has to give up working. We can test measures of this type to determine the results. I say this because I am sure that the members of the commission are going to make proposals and consult with comrades from the trade unions. Almost all the ministers are working on this, and we must try to do several things. I would say there are several things we have to do away with. There are several, and I expect to hear some protests from the other side because there is a mentality adapted to the existing system. To miss work is absenteeism. We are not going to do anything in a rush; we have to study and analyze. We have problems we have to resolve soon, answers we have to provide relatively soon, and other matters that will take longer. We cannot wait for all the legislation to be revised. I believe the students of law and those who have studied law are going to go crazy, and it cannot be helped, because first they studied one resolution then another, and now they are going to run up against another.

I am inclined to believe -- and because of this I wanted you to express yourself with greater clarity -- I think it may be too drastic to apply the principle this way. I think the guarantee has to be reduced and that it should not be compatible with another job or with self-employment. You correctly say that they have schools and medical care, but I believe the worker needs some income. Sometimes he is not to blame at all and neither is the administrator. This would bring us other problems. What do we do with the administrative personnel? Because I say that if a factory is closed down it must be closed for everyone, for technicians, engineers, administrator, accountant, and everyone. I believe it would produce irritation not to treat everyone the same. The administrator may be partly to blame. I suspect that the administration does what is easiest: sworn statements, doctor's excuses, the works. We are going to keep the doctor's excuse but try to reform the system. The electricity has been cut off? I am not going to call the electric company and scold anyone, he says and goes home. This is what we do today, and I know it. I have seen it. What happened? The power went off. The raw materials did not arrive. The raw materials may be on the docks or in storage at a specific place, and they did not pick them up. There are cases like this that are our fault.

We should try to make our solutions fit the specific conditions. Today I was considering Villa Clara, no, Pinar del Rio, the San Juan 6 Martinez shop. Their raw materials did not arrive; we have to determine why, what part of the blame is the administrator's, what steps he failed to take, or whether there are no such raw materials. Maybe they had to be produced in Santiago de Cuba or maybe they had to be imported and did not arrive.

We have to create a situation in which the administrators will have to take action. If an entire factory stops production... I believe we will have to treat the cadres also. If there are no sanctions, and I am the administrator of the San Juan y Martinez clothing shop , and the materials are in Pinar del Rio or in Havana, I send everyone home with 70 percent and I stay there delighted with my 100 percent. I'm telling you that when the entire plant shuts down, I will apply the measures to everyone but the night watchman, who has to guard it. [applause]

What should we do in these closures? If we treat the workers and the administrators differently, we create ill will and irritation. I think we have to make the administrative personnel work harder. Article 32 and the other article, which we have changed and placed in I-don't-know-what-other article. They used to say, they apply Article 32 to me, they do not apply the corresponding article to the administrative personnel; this was one of the complaints.

I believe that when the factory closed down and everyone is struggling here so it won't close down, we have a contradiction between the factory administration and the organization. Let's see how we can fix it up. We should be very aware of this: We are going to attempt to do this at the moment of greatest difficulty and this forces us to make the effort we are making regarding efficiency and work to make progress where we have to: what is needed to get clean cane, to cultivate it, to plant it well, to cut it well, to achieve greater productivity, better work at the sugar mills, at many construction sites, at Moa and 20 other places in this country. It may be necessary to consume a little more fuel to assure a little more stone, sand, and materials, but we can do many things that do not depend on fuel.

I believe that we can expect great comprehension from the workers toward the ideas the comrades have presented here, great support because of their discipline. But I believe we must assure that each step we take is an intelligent and wise step so they will enjoy total support. We must not use the credit we are earning with this battle to begin to do ridiculous, absurd, or bad things. We have to have good aim with each thing we do.

I believe we are lucky to have what we have today as a party. One can see the total conviction. One feels calm, one feels that he has tremendous power. But we do not only have the party, we have the people, courteous and decent. Look how the country has prospered, how it has advanced! But we have implanted 20 crazy things. What is this business of staying on the payroll when there is no work? Who started this? The sworn documents, premium pay, and all things; who has done them? We did. The socialist state, the revolutionary state has done it.

We have a tremendous people, and I was very pleased to hear what Lazo said regarding the reactions of the people, what everyone has said. We have a tremendous people. Whatever our errors may have been or our lack of awareness, we have the party and the party is very healthy, both in its cadres and its leaders. In general, it is a selection of the best leaders and cadres. It could have been a better or worse selection, but it is a selection. It helps us enormously in the work we are doing here in Havana. It does everything. Anything can be done with and through the party. This is my very optimistic opinion.

We have half a million members. There may be a few members who were corrupted or lost along the way. The party cannot be perfect. But in that one-half million young people, we have a tremendous force, a healthy force. The party is not our problem. The party is our great instrument, and we did not have it before. Lazaro used to say, we have never seen a process like this one we never had a party as strong as we do now, that is what I believe. I think this process is spectacular. When one reads the reports of the provincial assemblies, it is tremendous.

We have felt happy, and it is bitter to criticize. It is hard for us to realize what is going on. The 4 hours of the Havana meeting carried by television and provincial radio reported all these discussions; it is good to be able to wash our dirty linen. As I said in that meeting, the dirty linen should not be hidden, society should not hide, it is much better to wash the dirty linen out in the open, all the linen. It gives us moral strength, it gives us authority, it is good. I believe that later on, after talking about this, the role of the media should be defined. I believe in recent days the media is playing an excellent role--television, radio, newspapers. Just carrying out discussions is good. It is happening, this is horrible, but all these things are happening.

Rosario spoke about mechanisms. What do I say about mechanisms? We must open the doors wider to criticism. If we had learned about it -- I began to learn about it in a meeting with reporters but did not find out everything because they said a number of things I did not understand...I realize what they meant later, and it was that linking [not further explained] had been adopted by the Cuban Institute of Radio and Television in some areas where it could never be done, because it was madness. It marked the end of multiskills and the payroll was increased several times.

If all those things come from smart people, we learn many things. I find out through the reporters what is happening on the buses. A reporter spent 1 month checking out what was going on, who was paying the fare and who was not. When I added all that up, I had 600,000 persons who were not paying. I said to myself: this is serious, this is anarchy, a chaos when 600,000 persons do not pay the fare. I have said that the day will come when we know all about mass transportation means, how to use them, and have a criticial evaluation -- and I believe this is one of the great lessons -- so that all is negative, trashing them in discussions. I believe we have the mechanisms to avoid falling into these things and taking a long time to find out. I believe this is a point that must be trashed. This meeting should be prolonged.

I believe this problem of criticism...[changes thought] we are going to hold a congress of reporters in September, and we must give them guidelines. I feel we should analyze that here and other things. I believe we should examine here the views, what to do with the sworn statements. The public health minister is here. Do you have any new ideas? What to do with the health certificates, what to do with what we are paying too many persons who do not show up for work, what to do with the workers whose skils are not being used and remain on the payroll. It would be good if the province's comrades would voice their views about what the people think in their provinces. There are a number of things, such as the one dealing with newsmen, that must be trashed around and seek solutions. I am convinced it will not weaken us. We have to wash the dirty linen. I am convinced that what is suffocating us, infecting us, choking us is not washing the dirty linen for fear that the enemy in Miami might find out, or the imperialists and use it to attack us. I am convinced that discussing all these problems out in the open within a socialist, revolutionary exchange of criticism, not inspired in all capitalism's trash, gives us tremendous strength. I am convinced of that.

Of course, it is very important to say that this is not the problem in action. We are conducting and we propose...[changes thought] they have received what the state sent them. Meetings have been held in all provinces. That was agreed upon the Saturday we met. I do not believe that. Precisely this has been a systematic struggle, not a campaign. We have to meet next year again. I feel that we should organize -- it is good that all managers, party cadres, union leaders, youth leaders be aware that they must report their actions this year with respect to all these problems that have been discussed.

We could call on all those who talked, ask them to come and make a better meeting. I believe that after a year we must go back to all the provinces and meet with all enterprises to find out what each has done. No one knows the value of persons committed to report their actions. In a year we can find out how many things we have corrected and how we have corrected them.

If the party congress meets every 5 years to report actions -- many persons feel it is too long a period -- it is good that all these sectors and factors be aware that in a year they have to explain what has been done to correct the wrongs and fight against negative trends.

We have magnificent weapons and do not know how to use them. In just a few minutes or hours we cannot explain all this complex problem. I believe that the most important thing is to be aware that we must use the media in this battle, the battle of the revolution, now and in the future. We must be aware of that. This is going to generate greater pressure. I believe we need greater pressure on the cadres, organizations, ministers, political cadres, union cadres, administrative leaders, on everybody we are lacking pressure. If there were more pressure, we would have fewer mistakes.

Supposedly there is pressure, that the union looks after these things, that the party oversees this, that everybody worries, that government looks over the problems, but the problems continue to appear all over. Many times months go by before we find out about some problems that have occurred. All of this is going to generate more pressure, more bitterness, it will even generate injustices. It will generate misunderstandings. It will generate wrong interpretations. I cannot see this any other way, in reality I do not see any way we can use the media in a more efficient manner without originating some of these problems. I believe only experience and time can make this better.

What I say is that whatever we say we are going to do, we have to do it. We do not want to send letters out; criticism is unleashed; and we back out of it because it generates negative effects. The truth it can generate negative effects. The reporters are a detachment of the revolution. That is what they are, and they try to serve the revolution in the manner they feel is the best way possible and under the conditions that their work makes it possible. Our problem is to learn how to use that detachment of the revolution.

That is our problem, how to use that revolution detachment in the most efficient manner because we are not using it efficiently.

Our press cannot be compared at all to the capitalist press. Neither can it have the morbidity it very often has, the sensationalism, the showiness (espectacularidad), all of that. But that does not mean it has to be a quiet, silent press.

The example given by Mendoza [no further expansion provided] seems to be very valuable. He referred to the attitude that we had in the war. We only had one organ then, the radio. It became a tremendous organ. Everyone in Cuba tried to listen to it. All of Latin America listened to it when possible. It became a reliable, serious organ.

During the entire war, we never reported one excess rifle or bullet, or one less casualty, death, or injury. We never had one enemy prisoner, death, or injury in excess. There were never even any exaggerations. There could be interpretations, but they were honest interpretations of the events.

Radio Rebelde was so reliable that all the other comrades in the second front, in Santiago de Cuba, Camaguey, Villa Clara... [changes thought] when reporting on combat activities, all the comrades knew how to make a report that was absolutely precise. When we heard another report from another radio, we knew it was a report that was absolutely precise because our habits did not include lies, exaggeration, or demagogy.

I think Mendoza gave two examples and these were two difficult moments. Camilo's report was critical. It was difficult in some regions. Camaguey was critical. One could say, we will not publish this if that is published. The people of Camaguey... [changes thought] I was sure the people of Camaguey would feel compromised. They would want to vindicate themselves if they had been unenthusiastic, lazy. I was sure this was an appeal to the honor of the people of Camaguey to make a greater effort in that struggle.

There was a combat problem in which troops did not complete the order that was precisely given to them telling them never to use trucks, never. They used trucks and took a route where they were ambushed. We had enough experience to know what happens to an ambushed truck.

It is not the same when it is preceded by a troop, a well-trained vanguard. It is very difficult then to be ambushed. It was difficult to accept that misfortune. We sent a column to Camaguey and it was liquidated. We thought it was better that all the leaders know, that everyone knows the truth so that there can be confidence in what Radio Rebelde said so that those errors would not be repeated. I saw that soldiers... [changes thought] the most incredible things happened to Batista's army. They would fall into the same trap 5, 6, 7 times. They would fall into the same trap because when a soldier here met with disaster, no one told the other leaders and the other troops about that disaster. Other troops came and would fall into the same disaster. This happened and was covered up. I was aware of the damage this did to the government itself when it hid acts, misfortunes, and failures.

I think that the revolution has always been characterized by the great bravery used to confront problems. We do not have any reason to abandon that tradition. It has not been abandoned in a conscious, deliberate method. We have more or less been falling into a series... [changes thought]. We have also been a country under seige, a country that has adopted a certain mentality: blocked, threatened, attacked. It is a country that had to confront the counterrevolution in many things and the threat from the outside. All that has been creating a mentality of secrecy, the mentality that was mentioned here.

I think that now [changes thought] that is why I say that this did not occur all at once. The criticism on the part of the press is actually occurring now. It needs to be studied well. I was interested in bringing up this topic here because the journalism congress will be held in September. A series of ideas on guidelines for journalists will have to be prepared for the journalism congress.

I am convinced that the press should be used in another form and that the press must be made to participate in this battle against all negative tendencies, that the press definitely should participate in the battle to perfect our system and revolution, that the press should participate in a more efficient manner. It is not that they should not participate. I am not going to deny that the press has done many positive things and has had positive moments in many campaigns and in serious work. I think the press should participate in a manner that is much more efficient in the process of constructing socialism in our country and that we should make guidelines for the use of the press in the revolutionary process.

When I speak about using the press, I am not just speaking about criticism but general use of the press. Criticism is criticism and only criticism, and this is only a case of criticism. It is an effort to make the press reveal more information on many different topics and problems so that the population will have a better understanding.

It has to do with giving the press much more information. We need to give the press much more information so that the press can help the revolution form a new conscience and so that the press can give information on things that are right and things that are wrong. This work is actually wrong. This work is delayed. This one has taken 14 years. This happens here and this happens here. There is a quality problem here and there is an unnecessary quality problem since the raw materials and the resources exist. There is a lack of requirements in general. They should point out not just all the good, but also the things that are not going well, above all the things that are not going well because of subjective reasons. When there is a problem because of subjective reasons, they need to explain what is influencing this, what the factor is. I think that organ leaders -- radio or written -- have a great responsibility.

It is more difficult for television but I think, in a certain form. It can be more responsible with programs. They should have a lot of information.

Not all the organs are the same. It is easier to efficiently supervise what is published in a newspaper than to supervise well what is said on radio all day or to efficiently supervise what is said on television. Television has a big impact. One has to be careful with television so that things are not superficial.

In general, it has to analyze talk, ask for opinions. I believe that we could have a more dynamic kind of information and that each one of these branches: magazines have one kind of style, newspaper another, television and radio have other characteristics. I really believe that television needs more polishing. Sometimes only 2 or 3 minutes are available and they edit here and there, they do those things in a rush. Now, I have noticed in the last few days that the population has been satisfied with the wide range of information which has been released. Beginning with the assembly meeting held in Havana, the broad information provided about the workers remarks had a big impact. Journalists have also been present in other assembly meetings and have released quite a bit of information. I would say journalists are doing a good job in this struggle's first phase. They have reported without fears. No enemy will be able to criticize us better than we criticize ourselves. Because we know more about our own problems than our enemies do. They do not know about them. We can even disarm the enemy. We disarm them.

The revolution has not weakened lately with the very strong criticism. It has not weakened. To the contrary, I believe the revolution is strengthened with these kinds of activities, in which mistakes are rectified. It makes it stronger. It is like taking a laxative. You get rid of all kinds of toxins and begin to feel better. So the cleansing process has to be constant just as the body does through the kidneys or the digestive tract. We have to constantly discharge toxins in some way.

We consider journalists as a detachment of the revolution. They should help as much as possible and they do help us by reporting what is happening in such and such factory, by saying such and such is happening at a particular place, millionaires are popping up here, there are rich people over there, there are some people building houses there, peasants are buying Havana. If they begin to report on this, we ourselves can immediately begin to see what are the consequences of some of the ones which have been built, we can understand its negative or positive consequences. Of course, we cannot presuppose what they would be. I believe there should be more than criticism.

First of all, the press should have more information and journalists should have well rounded information, especially those responsible of those organizations. All of us have to give them much more information. Secondly, the press should release much more information on good and bad things. They should report that such and such project is behind schedule according to its director for the following reasons: this is important because such and such, such problems is being experienced. I see they do that in sports. They say, we have failed on this, we have shown a poor performance in football, we are fooling ourselves, such and such...but the same thing is not done in the area of economy. Sometimes they do that in the area of culture but we do it less in the day to day and really important things of the revolution. In sum, the press has to report much more about the good and bad things. If we note something is wrong it is usually taken as criticism, if one says a service is not provided properly, that is not considered criticism, that is information. I would say criticism is a relatively small part of information. Because there are not many people who are capable of criticizing. It is a very difficult thing to do. I believe we should have criticism, rebuttal, critics. So those who are going to criticize should be well documented in order to make assessments. But the press has to inform. Bad things are bad things. An abandoned car in a lot is bad. All kinds of wrong things happen in this country. I believe we can provide a kind of guidance in this first phase by saying that at this time the most improtant battle is this one. When we have said defense is the most important thing, hasthe press not worked in an efficient way by promoting the patriotic sentiment and the creation of a conscience for the defense of the revolution? The television and radio has done this with their reports. Now we have to tell the press we are involved in this battle. We have a list of calamities, we have all these problems. Help us in this battle. Report about this, investigate about that, write about it. So that the press can report talk, analyze it -- I do not like to use the word criticize because it sounds judgmental. They should report true information, true facts, analysis, investigation, studies, problems that come up. Of course, at certain times they should give their opinions on those things. I believe we can begin to learn with that. We would be in a bad position if we did not know or understand that a chapter has opened and that it is something that we have to continue doing. We have to make changes as we go along, but we should not go forward and backward. We cannot go forward and backward. That is something we cannot do anymore. We have to gradually go forward, strengthen our position, continue to make progress in all this. We need the press to help us in this battle. Imagine if we had for example 12 7-foot tall individuals form a basketball team and send them to the Olympic Games without any training. It is very possible that they would not score any points. This is how we are. If we do not get rid of the mystery syndrome -- I was telling Aldana -- [changes thought] what happened the day of the big Havana assembly meeting, which had been organized for days, all Havana knew that we were going to meet at the Karl Marx Theater, and when I read the paper in the morning nothing was reported on the meeting we were going to hold at the Karl Marx Theater. How can one explain that? It is the mystery syndrome. It was a mystery that all Havana knew about, but because of the habit of not informing, not talking about such a meeting. That day the paper did not report about that meeting. It was something all Havana knew about and GRANMA newspaper ignored it. People are very sensitive to all this.

Let me give you two examples. I do not remember what day it was, I believe it was 1 May. My photograph was printed on the last page.

The newspaper was somewhat transparent, and when the page was opened a skull appeared right on the midst of my chest. I appeared with a skull on my chest. It is a skull that is used for the "direct line" news. It was by chance. Lots of persons began calling the ministry; some persons thought that it could have been on purpose... the skull on my chest. It happened that it was a fluke. It was an accident.

Many persons noticed it. Of course, it is painful to me, not the skull, but that there were some who question that someone in the daily GRANMA is doing something wrong, if there is a counterrevolutionary there. People notice all these things.

A few days ago I said: These are years of exigency, sacrifice, and work. Work was at the end, and at the end was Fidel. Those who folded the newspaper would read: Down with Fidel. There was another uproar. Many persons had noticed that and complained about GRANMA publishing "Down with Fidel." That is the people's spirit. They notice all those things.

[Raul Castro interrupts to say: "At the bottom of the page I appeared applauding. That is to round up the story. When the page was turned I appeared applauding."]

Well, I did not see that; no one told me that. I asked for the newspaper and saw it. Well, we cannot wait. I believe we have to advance a little at a time. That is the idea we have. The journalists congress is a congress of Communists, that is what it can be called. We also have to talk about the problems, what to do, what kind of efforts can be made to solve the problems. The people tend to demand a lot in this. Sometimes when the truck was found abandoned, they would ask what was done about the person who abandoned it.

Bear in mind that out of all this information, another demand arises, which is: What has been done? I believe we have to act with greater harshness and sanction whoever it may be. If a militant, he or she must be sanctioned in some manner; if not a militant, in some other manner, even by dismissal. I understand that all those responsible have been sanctioned administratively. If he or she were in charge of the crane, he or she was transferred. I do believe measures have to be adopted. What has happened in these past days is a test.

GRANMA has published all calamities that have been discussed at the provincial level, without fear, with courage. It has published what one comrade said, and the other, everybody, and when a comrade leader made a statement, what he said. Why he made it. All that has been published in the newspaper. I believe that no one can be tougher than that. Who cares what the newspapers say. Let them report, that is their mission, that is their duty, that is their role as a detachment of the revolution, to report, to report clearly, to report to help the revolution, to report to strengthen the revolution in a correct manner. Of course, these are powerful weapons, one must know how to use them. It is the same thing when you give someone a tank, or a bomber, or a fighter plane, that person must be responsible. Those people who have this political weapon, such as the media, we have to demand responsibility from them. The use they might make of it is of great significance.

How many mistakes had the managers of cooperatives made? Nevertheless, how much honesty was observed at those cooperatives when the problems were brought up? They committed themselves to solving them. I based my argument on the fact -- and I am sure I am not wrong -- that our people are incapable, that is they are not capable in many instances, they lack above all responsibility. They want to solve the problem in any manner, hastily, inflexibly. Our people are unflexible, but they are not incorrigible thieves. The incorrigible thieves have to be wiped out.

Then that is the reason I say we have to decide how to use those weapons, and not finish everything overnight. If before we used to get from Radio Rebelde what we got, how is it possible that we cannot get anything from that many thousands hours of radio and television, the media we have? The dream of a revolutionary was to own a newspaper. Now we have a newspaper with one million copies daily. Why can we not make the best use of it? If the battle before was against oppression, exploitation, tyranny, now the battle is for building socialism.

The motivation is enormous. How can we not learn how to use those means we have in an optimum manner? I am not saying that those means have not been useful. That is what we are thrashing out here at the Central Committee, that we are aware of the problem and that we consider that using the media is essential in this battle, using that detachment efficiently. I believe that many of the points discussed here, all noted here in the Central Committee and those noted in the government document are guidelines with which to ask the media to participate in this battle for correcting all that is wrong, which is not only this. There are many other trends.

There is the trend of deliquency, laziness, mercantilism, summing up, many of them. A group of things that have been discussed in recent days, in one way or another.

The pre-university vocational schools will become vocational schools of exact sciences. They are great schools with great programs. Together with this, the working hours in the vocational schools, which were not many because the planned industries never materialized, were reduced to 1 working day, to devote all that time to study. The vocational schools are logically more demanding, so the parents requested a point allowance, that is because their children were attending those rigorous vocational schools they wanted three points. They were going to get three points. If they got 90 points, they would be allowed 93 because it was a tough school.

That is why when I thought about the other preuniversity schools in Pinar del Rio, Matanzas, which are not vocational, where the youths work and participate, I reached the conclusion that I was going to do something very edifying in connection with youths who were working in production, who were lending many services to the country, and that those who had the best professors, more time for study, even if required to work more, they would have an irritating advantage over those students in those lonely places in Ciego, Sola, everywhere, in Jaguey. Very vehemently I maintained that view, even though there was an agreement on reviewing the concept.

I asked some vocational schools what was the percentage of youths going to the preuniversity level, and the response was more than 90 percent of those graduating from vocational schools -- on their own, without any point allowance -- were admitted to preuniversity schools. Sometimes 95, 96 percent were admitted to the university. Why were we going to give them three bonus points? Their parents were the ones waging the old battle, struggling to obtain priviledges for their children and they spoil them. We stopped that on time. Of course now...there are in fact some priviliges because families with a higher cultural level also have some influence on the children's education. Now the scores used to admit them to the exact sciences preuniversity schools are figured out by considering their point average and a test equally. They have to take a test.

I was thinking about preuniversity students. We found a fair solution, that exact sciences preuniversity students not obtain bonus points. They did not need them anyway.

Basically I am saying that in a socialist system, the Central Committee, the Politburo, the leadership, are the ones that have to take care of quite a few things, science among them. I do not know if Rosa Elena [Simeon, Cuban Academy of Sciences president] today or tomorrow will give us an overview of the status of science because she has an action plan. Here everyone wanted to be a doctor. Have you not noticed that everyone here is a doctorate candidate? Many times their doctorates have nothing to do with the country's interests, with what needs to be researched, what needs to be done. It is silly. If we have done dumb things with the jobless workers [interruptos]. With medical certificates, with this and that, I want to let you know that we have done a lot of dumb and silly things in the field of science.

It would be good if Rosa Elena would also tell us about it because it is very important and what we plan to do in that field.

Therefore, financial matters are not the only things -- as I was saying yesterday, that when the illustrious commission we created comes here with its proposals and brings all the conclusions all the ministers have reached -- that is all those comrades who are more familiar with the problems -- we can sit down and think, meditate, analyze, and make decisions. The same way we did with the plans.

Unfortunately, the time we are making all those innovations is the time we have more problems, when it is more difficult to make plans because of resource shortages, when we have a foreign currency shortage. But we have another procedure for people to come and explain these things to the Politburo. I am convinced, every day I am more convinced about the task of leadership in socialism, the work of the party, the Central Committee and Politburo. It is not like capitalism in which a private enterprise does research...we can do a lot of things. We can do a lot of things [Castro repeats himself]. It is incredible what can be done under one condition. That there is guidance, leadership, it is known what needs to be done in all these fields. I am more and more convinced of the importance that all this has -- I believe it is a key problem -- I believe education is also very important.

I have always had my doubts about those emulations based on percentages. Because the teacher makes up everything so that the students get a good grade. Everyone who has been a student knows that there are youth who study more than others. There are families that are able to make one child study and cannot get the other one to study. We all know that. Because I believe that if everyone passes easily, there is something wrong. Either the course is too easy or ... [changes thought] I see now that there are greater demands. I see students studying hard. It is difficult now. I know medical school is very difficult. I see that. Very difficult. Those who have performed poorly in secondary and preuniversity school I doubt that... [changes thought] One time we discussed the problem at medical school professors meeting, that it was too big of a change for students. That resulted in that meeting you had and all the measures that were taken regarding the preuniversity students. Because we realized what the professors were saying about how poorly prepared students were when they were admitted. We had no other choice than to set higher standards. It is difficult but it is better. I believe this is the only way we can make professors to make more efforts and for students to make more efforts. In this country students do not study hard enough, some of them. Some of them cannot survive if they do not study because if not, they flunk. I believe that they need to study more and we have to continue to demand more. If we are asking people to work more we have to ask professors to work more, to teach more and better. We have to ask students to study harder, more and better.

I'd rather make more demands despite all the inconveniences they bring so that we can improve the quality of education and that we do not have to talk about all this during our next congress. We have to keep in mind that all these matters were emphasized. We talked about it during last February's congress at the Pioneers assembly meeting. It was a logical thing. I believe they had to be discussed beginning this year even when a number of weaknesses were discovered. I believe that the report should be published in Havana, in the HAVANA TRIBUNE.

I am going to attempt to really be brief this time. I am not going to repeat here -- it is absolutely unnecessary -- many of the things I have said during these last months in connection with the problems we have been discussing.

You have read about it during the congress, about general matters. I also remember that when we had to strongly criticize the things that were not going well, I attempted to make an inventory of calamities, to put them together. Instead of discussing good and bad things at the same time, we discussed the satisfactory things and the poor things separately.

A great number of pages were used to discuss problems. People paid a great deal of attention to them. International news agencies wanted to take advantage of it. We were hit hard but stood firm. They are no longer successful when they attempt to take advantage when we acknowledge the things that are going wrong. They are almost left without arguments. But the population paid a lot of attention to the congress report. It was a kind of prelude to what happened latter. I wanted to talk very little about problems on 19 April and everyone was talking about them the next day.

I do not have to repeat myself, you have heard about them during the congress, on 19 April, during assembly meetings, the meeting with peasants, the meeting with peasants [repeats himself], assembly meetings [repeats himself], the national assembly meeting, the Pioneers meeting.

One does not clearly see a problem all of a sudden. One sees negative signals, problems, but there came a time when I began to see the problem as a whole very clearly. A number of factors contributed to this. Even before the congress, I remember how last year around this time in the summer -- August and September -- we began to hear all kinds of complaints about hospitals, people's complaints about hospitals. That worried me. I thought that after all the attention we pay to hospitals, the things we are doing, the new things -- undoubtedly many new things have been done such as the campaign against dengue, intensive care units in hospitals, massive graduations of doctors, medical science detachments, a number of programs, remodeling of pediatric hospitals and optical offices were remodeled. A number of measures were taken in the field of health. The education detachment was created. Two groups of medical faculties were created, one with those from Havana and another national one. A lot of work, a lot of comrades were taking care of the field of medicine. Hospitals were also inspected. We solved many problems, all kind of problems. We worked with nurses, doctors, nurses salaries were increased. A number of measures were taken. And I thought, how do you explain that we begin to hear that complaints increase regarding services,. Hospital care? What could we do? We could not send more people to visit hospitals, they had been visited several times. So I wanted to find out what was happening in hospitals.

I suggested we hold a meeting with all the hospital staff. I wanted to have a personal contact with hospital directors, party committee secretaries -- almost all hospitals have party committee representatives -- with labor unions, head nurses, and youth. Over 300 people gathered in this same place. It was a long meeting, from 3 to 12 or 1 during 2 days. Various problems were intensively discussed. We had met to analyze subjective problems and we actually discovered a number of problems, not only subjective ones but also objectives, and a combination of both. There was a hospital where a people's government [corrects himself] no a construction industry enterprise had finished an elevator and a people's government enterprise had to receive the elevator which had been built 3 months ago and the transaction had not taken place. Consequently, 100 beds of the Camilo Cienfuegos [hospital] were not being used. That came up during the meeting's first day and the problem was solved the following day. We discovered that equipment which had been delivered to hospitals had not been assembled in 2 years. A multi-million dollar power plant required a small building because a transaction had not been completed. New expensive equipment was not installed. There were an incredible number of problems, not only subjective but objective ones.

We found out that there was a deficit, all kinds of problems, that while we built hospitals in the rest of the country -- some of them have taken 10, 12, and 13 years to built -- we found that we already had a deficit of beds here. That the revolution had not done anything.

That was when I found out about the terrible things that were going on at the Salvador Allende [hospital] which had 14 different managements operating in it, among them a people's government cafeteria. A hospital with 14 or 15 different managements. What? Were there 16? It is possible. Including the institute. What was happening? A number of organizations had warehouses in the ward's basements. There was a little bit of everything. It was one of those cases when people accumulate things, they get used to live with them. I thought the kinds of things that the hospital had were amazing. The trailer trucks coming and going, that is the story Caballero told here which almost ends in a war. I said how could that be, when were those things delivered, under which circumstances, how has that situation prevailed for so long?

We kept examining all kinds of problems. I was asked to go to such and such place, to go to the Julio Diaz. I found that the Julio Diaz, which is a very important hospital in this country because it rehabilitates people who were born with defects, children with birth defects or who have defects because of illnesses, because of a trombosis. It takes care of the most difficult human problems you can find. Hydromassage baths were needed there, some beds were needed. The staff was making a heroic effort because they had no other choice. The Salvador Allende staff were making a heroic effort. What is interesting about this is that in the midst of this incredible calamity, something which could not have occurred in any other hospital in the world -- a hospital whose wards' basements [being used as a warehouse], a Spanish hospital which had also lost some 300 beds for one or another reason, or lack of maintenance -- despite that, it had been designated national vanguard. So the workers and the party made big efforts and were able to accomplish a feat. They were national vanguards. You can imagine a hospital with those kinds of problems and being national vanguard at the same time! That was the situation. But the Julio Diaz staff was also making incredible efforts. They had problems. The day I visited that hospital I had already gone to the Albarran [hospital] and a lady told me, there are no beds available in the hospital, I have an aunt here with such a condition, with a paralysis and is here in the Albarran. We realized hospitals had a number of problems which I could not even imagine. There were problems with construction projects. At the Frank Pais [hospital] there was a hydromassage room under construction. It had been under construction for 7 years and it was still in its third stage. That did not appear to be serious work. I estimated that it would take 21 years to complete the project. I asked, what has happened? What has happened to us? How can this be? As we discussed subjective aspects we found about objective things. I thought we were falling into deep water. It was very dissapointing. I learned about all kinds of problems. There was an excess of people, bureaucracy, things that were not working properly because we had given nurses abnormal conditions. The nurses aides who worked with lepers were not receiving anything extra for working with lepers, in infectious places. So we decided of all the efforts -- and we were not in the productive area although there were problems of the productive area which were having an effect over all these matters. I asked to meet again. Later, I met with the institutes. On the 31st I began to tour the hospitals.

Yes, on the 31st I said I was going to tour the hospitals. I didn't have any desire to do so. I visited the Calixto Garcia Hospital at night. The problems of the night shift were frightful. It was chaos! I said, my goodness, all the effort we are making in this field and this is how things are!

A program came from this, and just a few months later it is already having an effect. A considerable effort is being made in that field. It was necessary to improvise a program and ask the comrade construction workers to make an effort, to draw up plans, because we foresaw serious shortages of hospital beds. We decided a series of things then. This, combined with the plan for 500 new physicians...because we discovered at the same time that with the family doctor system, nobody was going to the hospital emergency staff. I imagine that the problems of emergency staff were caused by requests for doctor's excuses. I believe Panchito [not further identified] said, the good workers are the ones harmed by the doctor's excuse requirement. Because a worker who has the flu -- and everyone know he has the flu and is ill -- has to get out of bed in the morning to go to a polyclinic for a doctor's excuse like a good worker to show that he has the flu, when everyone where he works already knows it.

The emergency staffs were overwhelmed. We held other meetings. We met with the institutes, then with the family doctors, and we began a program to begin to overcome the problems. Its effects began to be noticed. The party began to work systematically: it held meetings with the members and is meeting with the members every month to determine how hospital work is going. In this way, with a series of practical measures and a good policy, we began to see the results, and the people spoke of it. Assemblies were held at all the places of work and hospitals, and the people began to react, to make performance pledges. This forms part of a program that we intend to follow tenaciously for as long as it is necessary. I have cited this example because, well...this is where I began to see a lot of things in a lot of places. Party reports appeared on what was happening on the cooperatives, and a lot of circumstances like these showed up in a period of 3 months, more or less. We realized the disastrous situation of the cooperatives, the great number of problems and irregularities in which cooperativists were involved. It was very painful.

Some cooperatives earned 50,000 pesos or tens of thousands of pesos without doing anything. They simply allowed private broom manufacturers to use their names, and sell brooms as if they had been produced by the cooperatives. We were horrified and decided it would be necessary to meet with the cooperatives. There was a cultural problem. Those people earned 300,000 pesos. We started to receive reports of truck drivers who earned tremendous amounts, and we continue to receive reports about certain work centers with very large salaries.

Well, we could see what was happening with the famous housing law we drew up, and I began to see the entire problem clearly. I want to meet with the pioneers, who were concerned with educational problems. I spoke to them of the problems and told them they have to study, and discussed problems after the 19th, as I have told you. I had no intention of uncovering anything. My idea was to address the problems little by little and not do anything traumatic or spectacular. The same thing happened as at the congress. When I touched upon these problems on the 19th, the following day everyone was talking about them and nothing else.

During those days, by chance, I had met up with...[changes thought] touring the area of the beaches, I studied the problems of the beaches and of the National Institute of Tourism (INTUR), which included the problems of salary, extra pay, premium pay, and others. During those days, there were people who wanted to leave the houses of protocol because of their piratical charges. Touring the area of the combinado del este, studying how much all that meant in dollars, I saw a lot of problems. I stopped because I saw a crane and thought the crane should not be there and that someone had taken it home, and what I found there is what I told about later. The other day, I was near (Margloa) and I saw a truck there. I said, go in there and ask what that truck is doing there. The truck in fact should not have been there. I asked for information on the man and found he was a good man who was not engaged in thievery; the neighbors had a good opinion of him and his family. The first thing I do is ask about the individual to find out who he is. I said, you have done a bad thing, don't do it again, it isn't right.

I calculated how much gasoline he would use by making 1, 2, or 3 trips every day. A truck like that must consume 15 or 20 gallons every 8 km. [figures as heard] I saw that the problem was quite widespread and on 19 April, when I spoke of the problem, there was a strong reaction. I was able to realize to what degree the people have been sensitized by all that garbage and how greatly extended the irregularities had become.

All of this began to add up. We were meeting with the doctors, and I said it was necessary to meet with the peasants to talk with them about all these problems. Then I spoke with Lezcano and told him, look, Lezcano, there are so many state enterprises implicated in this, and so many reports are coming in about irregularities of very kind that we have to meet with the workers of the capital. We are going to call all the capital workers together, that is, we are going to call together the enterprises, the workers, the party, and youth groups. This is how the idea was born.

Later, when the change was made in the .... [changes thought] we met in Havana Province to propose changes in the movement of cadres, I also spoke of this, and I now see it all very clearly. We decided to invite Havana Province also. This is how that meeting came about, and then came the Politburo meeting. I didn't want, I didn't have any intention of uncovering anything or of doing anything abruptly. To the contrary, I wanted to work patiently as we have been doing with the doctors. But this was not possible. We had hardly touched upon the subject when it appeared to explode. I met with the reporters and explained this to them... [corrects himself] the first meeting was with reporters to discuss all these problems in view of the congress, which was fast approaching. The big meeting we held later in Havana, the Politburo meeting, and then the provincial meetings served to give shape to this battle. We are involved with 13 incredible problems that I consider negative, very negative and dangerous, especially to the degree that they coincide with the greatest economic difficulties of the country. Not all of the economy but rather a part of the economy, the convertible currency part, which has enormous weight.

The worst economic moment we have ever had. [sentence as heard] Each year, although we had a minimum of convertible currency for what we had to import, it was not so severe. All this is coinciding with a degree of laxity, laxity everywhere, reflected in a thousand reports. I saw this was becoming a really serious problem. Fortunately, we were able to dedicate ourselves to this problem. We could dedicate ourselves to the problem because earlier we had done a very good thing. We had made an enormous defense effort. I believe that, in these years of the Reagan presidency the country has passed through its most difficult stage, after the October crisis. No, I think it was more dangerous than the October crisis: threats, irritated every day, insolent bullying this country. We analyzed the reality... we made an analysis of our defense unlike any that had ever been done. The concept of a people's war was developed, and we began to strengthen our defenses. I presented a large number of my concerns about a series of things that appeared absolutely necessary, using our socialist experience as a starting point, correcting things that had been done wrong, including idealistic errors. We are going to continue along this path, we must be prepared. Rene [not further identified] has read here a lot of the matters I dealth with in 1975. I wrote them down myself, nobody helped me to write down the ideas that are there, where I presented all the concerns that Rene read about here: that we could not trust the mechanisms, and that political work and morals are more important than any mechanism, especially under socialism.

If capitalism is the empire of blind laws, ocialism is the empire of the plan, of rationality, of the work of man. Socialism is not built by virtue of blind laws. Socialism has its laws but the subjective factor -- the role of the party, the role of man -- is fundamental. It uses those things as instruments, as mechanisms, as scientific knowledge of the process, but it cannot be even imagined that it works alone or that socialism can be built like capitalism, starting with laws that function by themselves and blind laws instead of mechanisms.

When we saw those salaries of 700, 800, 900, 1,000 pesos, I asked, when they go on internationalist missions, what are we going to pay them? What are we going to pay these men that in the number of 300,000 were willing to go to Angola and Ethiopia? What do we do with them?

Voluntary work has been abandoned despite what we said 20 times. But fortunately, voluntary work found a place of refuge. It took refuge in the field of defense: in training, in preparations, in the digging of trenches, in all the efforts made. In the Havana meeting, Veiga spoke of what defense had meant to the materialization of voluntary work. Everywhere else it has disappeared. Where a square used to be cleaned up by voluntary work and the grass cut, it is now necessary to pay for all this work. Everything must be resolved with money, everything, everything, absolutely everything. We are entering a process of corruption of the workers. I realize we have created a lot of nouveaux riches of all kinds. Reports arrive of persons who have bought a house for 50,000 or 60,000, an automobile for so much, who have so much money, so much deposited in the bank.

This is how the problems were being presented; I think we are dealing with them although we have not yet solved them all. In Lenin Park, candies and chocolate used to be sold at high prices and nevertheless people bought them in Lenin Park and resold them here in the hospitals. Who knows how much money we have given away? I think it must total billions of pesos, billions! The parallel market cannot absorb all that money. All we import, whatever we do, it is not enough to absorb the money, especially in situations in which convertible currency is restricted. How could we absorb that money? There is excess money here. Everybody has started to sell, to buy lots, to own lots. That law would not have such a negative effect if it had not come along at a moment when there are many millionaries.

Then we began to see very painful situations: Persons who had sold their houses because they needed money. They couldn't do that before. Houses the state had given to workers, persons who built houses and then sold them. We saw all kinds of strange manifestations of capitalism, and good people got caught in some of these errors. With all that money, people began to sell houses for 20,000, 30,000, 50,000 pesos. The people earned sums of money, as in the case I described in which the person earned 300,000 pesos in one year. I told myself, in 1 year they have earned 60 times more than the doctors who do heart transplants. This was a chaos that was really very worrisome, for which reason I said we have to begin to correct this. But if we can begin to correct things without creating a fuss, so much the better, if a measure can be taken, if we can meet with the doctors one day, with the peasants another day, with the workers yet another day.

But this really could not be done any other way, and it is being done with a minimum of fuss, carefully. I think it is being done with all necessary care. It was clear to me that we could not rush into things, that we could not take hasty measures. There was one that turned out to be impossible, and that was the one that had to be done almost drastically: the free farmers' market. I thought that would take us months, but when I saw the spirit, the reaction, the vehemence with which the people said it should be done away with, I said there is no sense to this. We had been thinking about taxes, more taxes, and more taxes, but we stopped. It was nonsense to ask the cooperatives not to go; I realized that many of those of the free farmers' market were laughing at the cooperativists. It became clear that the cooperativists were our vanguard in the peasant sector, and that the best farmers had joined the cooperatives. Those who did not join were the backward peasants. I cogitated a lot about the problem of the farmers' market and all those things. I also thought a lot about this when at the time of a certain economic problem it was presented as a panacea. I also worried about he self-employed workers, and about free contracting, At several meetings with the executive committee, I said we had to be careful of the consequences. I was concerned over the entire matter. I do not believe that everything we did was negative.

At several meetings I expressed concern on the question of free-contract work [libre contratacion]. At the executive committee meeting I stated that one must be careful what consequences will affect women and others. I was very concerned with all those experiences. I do not believe that everything we have done is negative but there are many things that have not produced results.

I think that they did not want to hold discussions. They did not want to give an opinion on the problem of free-contract work. The worker himself, the leaders that charge for trade union membership [vinculacion] should have been asked to speak, to express themselves at the meeting held on the 25th or 27th. It may have been held on Saturday the 27th. [an unidentified speaker tells Castro it was on Friday] our meeting was on Friday the 27th of June, right? Yes, the meeting was held in June and the comrades from the province were asked to think about all these points and questions, I think that they should be congratulated. It is now very opportune, -- more so not at this moment than ever before -- to discuss and resolve these problems because of political and economic reasons and even for the security of the revolution.

I think what our people have done over the past few years in defense is brilliant. A more recent act that the people have done brilliantly under difficult conditions is the last sugar harvest. It is true that we were aided by a final drought. I think that these have been two very positive acts that prove the force, capabilities, and possibilities of the revolution. I think that what the people are involved in now proves it even more.

At the end of 1984, a very important and strategic measure should have been taken in reference to the concept of development and the possibilities for development. It was stated in the speech given to middle-level students and the national assembly. The policy we should be following was stated, repeated, and reiterated as much as possible. That policy was stated at the third party congress.

I already mentioned changing the methods of planning. We should change the mechanism and develop the participation of all factors. An effort was made at the executive committee meeting. The central group made a great effort, I would say that it was a dignified work of the best quality. The work was developed by the central group. The state central organs developed the planning material, 5-year plan, this year's plan, and the perspective plan. It was a great and serious task. It was developed during the entire year of 1985.

At our congress when we still had not experienced the catastrophe of the hurricane... [changes thought] the hurricane was difficult, but I think we still could bear it. Then problems arose that coincided with the congress. They seemed very secure and they immediately failed after the congress when oil prices brutally fell and foreign currency rose by 40 or 50 [percent]. This added to the problem. We were lucky that the misfortune was not worse.

Right now we find ourselves [in a situation] negotiating and renegotiating. Of course, for the work that has been done since last year, all the efforts of 1985, it is unpleasant to find ourselves facing this problem. At this time it is also coinciding with this struggle, and I believe this struggle should prepare us better for any type of difficulty that might arise as a result of these situations. As I said, we are forced to work with much more efficiency, wisdom.

Well, I think what was stated in 1984 was of great importance. The effort made was very big. Now there is another battle. I think these will be two historical moments in the revolution, the end of 1984 and this year, 1986 when we become aware of all these problems and begin to combat them.

The most encouraging aspect of this is, as always, the peoples' reaction even though we make things badly, incorrectly, give poor orientation, and despite the fact that there are many normal workers who have great confidence in the revolution, party, and leadership. They recognize when something should be done well. This should be an experience. It should be correct. We ourselves have made mistakes.

What can we expect; that journalists should not make mistakes? What can we expect; that many people should not make mistakes when we ourselves have made errors We are responsible for establishing the guidelines. We have made things poorly.

We do not have reason to be surprised. Mistakes happen everywhere. Peasants, workers, and trade unions make mistakes. It created a scandal [campanada] in favor of economizing [economisismo], capitalism, and liberalism. I imagine that many people had their doubts. They probably said: Caramba! This is socialism.

Many people lose their confidence when they see and experience things. If I am a worker at Frank Pais [orthopedic hosptial], a nurse, masseur, or someone else who works there and I see many other calamities, that houses are needed as well as other problems, and I see that they are building a whirlpool [hidromasaje] there -- which I estimate will take 21 years to build -- I would be confused as to how to react [sentence as heard]. I would lose confidence because many other things are needed.

Fortunately, I imagine that people see the good with the bad. There are many bad things but there are many other things that do not have to be bad. In the capital, we confronted the problem of construction. Another important meeting was held. The Politburo met many hours analyzing the problems in Havana. They analyzed the problems of growing delinquency, the bums [merolicos], of the problems that exist, disorder, the breweries that are centers of conflict and irritation, growing deliquency, residency problems, the possible influence of socioeconomic problems on the growth of delinquency, loss of authority, delinquents, bums, and others that practically own the street. The Politburo met to elaborate a plan, measures to confront these things.

The question of the microbrigade was presented. We ruined the microbrigade because we wanted to. We broke away from the original premise. We assumed there would be no surplus of people. The brigade was never conceived. The microbrigades were never conceived. It was never an activity done with the energy or work force of a factory or done according to production needs. The microbrigrade was also considered plus work [plus trabajo]. "Plus work" means that everyone gives an extra 10 minutes. Instead of working 6 hours, one would work 6 hours and 10 or 15 minutes. Some factories were able to make it with plus work and many were able to make it without any plus work. They simply worked and possibly took better advantage of the work day and the surplus of people at the factory. This is how dozens of thousands of homes were made. At one time it was the only hope the country had to resolve the problem of homes and supposedly our capital ...[changes thought] remember some of us were distressed because we were asked for homes every day. Suddently there were no more requests. Occasionally, there was someone who wanted a house. The microbrigades were building homes. Dozens of thousands were built by the microbrigade workers.

These were created with plus work, but it is obvious that nothing can work with plus work when there is a surplus of people at the factory.

The microbrigade was eliminated under the premise that there should not be a surplus of people.

Now there is an even greater surplus. Only by using the workers who have no job but remain on the payroll [interuptos] and by taking advantage of the work day can we construct homes in the capital. Simply by using those two resources: Workers who have no jobs but remain on the payroll and better use of the work day.

In the 1970's, when we were trying to resolve the problem of homes, there were no enormous cement factories, the Karl Marx Factory did not exist. The Artemisa Factory did not exist. The Nuevitas extension did not exist. This plant gave us a capacity for an additional 3,000 tons of cement. The Antillana de Acero steelmill extension did not exist. The new factories and bathroom fixtures did not exist, neither did the new bathroom fixture factory in Oriente.

There were more resources, many more possibilities and nevertheless, the Republic's capital was left without a workforce. It was now critical, gentlemen. I want you to know that the Republic's capital has 1,960 [corrects himself] 1,794 construction workers to build homes. There could not be less... [changes thought] That is why those 22 buildings have been under construction for 4 years and could take another 10 before they are completed. There is no workforce. We were building 5,000 houses some of which had to be dedicated to defense and security. More than 25 percent of these homes were reserved for this. That leaves 4,000 home. That will not do even for homes on the outskirts. Not even for those who live in shelters.

For the first time in the entire history of the revolution, the problem of homes was being resolved by using a microbrigade of surplus workers.

In the name of the directorate of the economic system, in the name of the principles of Marxism, Leninism -- because this was the way the problem was stated -- the microbrigades had to be eliminated. They were eliminated, except for some who resisted this. There actually was no other solution. There was no other alternative.

What other alternative do we have than to revive the microbrigade? I repeat, if we add workers who have no job but are still on the payroll to the underutilization of the workday -- that is to say the potential earnings for an underutilized workday -- with surplus workers, there are enough to complete gigantic plan for building homes.

That was a large error. Unfortunately, we now do not have the material to let us all go simultaneously through the entire republic building homes.

Also, gentlemen, there was a similar concept with schools. Secondary and pre-university schools were a disgrace. Thanks to the secondary schools in the country, the country's citrus plan exists. The country now exports increasing quantities [of citrus] and has the potential to export hundreds of thousands, which would be impossible without the schools.

The theory that there was a surplus workforce, that there would be unemployment, and others, resulted in losing even the comprehensiveness of plans. During the time when schools, roads, and others things were being built, the plan, irrigation, everything was lost. The citrus plan was made but not the town. If the town was made the road was not. The road was made but the school was not. Each one was reversed. There was no state program to build roads, buildings, schools, irrigation, everything. All that was lost.

The schools were a disaster. Now we have to... [changes thought]. Jaguey has 500 caballerias of citrus. I do not know if it is 500 or more than 400 caballerias but it is approximately 500 caballerias. It does not have one home.

It does not have a school. I had to ask Comrade Luis de la Nuez, who went to Matanzas: Luis, organize two brigades, organize two construction brigades. Organize them within the peoples' government and we will begin to construct four schools a year.

Omani [not further identified] said: Include me in your plans because in this case we have agreed on a policy that does not allow social expenditures to grow. Nevertheless, social expenditures grew in 20 different ways. In addition to increased social expenditures, semiboarding school costs were added. I have always said: Be wary of the semiboarding schools.

A pre-university school in the country is a workforce to insure agricultural plans and thanks to that school, those agricultural plans exist. Sixteen schools can tend approximately 750 caballerias of citrus. There are people... [changes thought] Fernandez [not further identified] has people and now with measures intensifying or requiring more of education, the result is that more schools are needed. That was stated by the Havana Comrade and I repeat: They do not have enough schools.

After Hurricane Kate, Comrade Lazaro [not further identified] insistently asked me to do something for the construction of new schools. He told me about the comprehensive problems there, the problems that exist in that town. It is truly a beautiful plan. Many investments have been made. It has excellent land for quality citrus, which continues to be planted. But he said: I have students; I need schools.

I remember the time we built 100 schools in a year. I said, Omani, do you think we could do again what was done in Isle of Youth the way we are organized now? He said: Well, the truth is no. Could we build another Jaguey? Well, the truth is no. Could we build another Sola? Well, the truth is no. We cannot do anything. We have become impotent. It is a strange thing, a mess. It is as if we were stuck in a spider web, on taffy, or in a swamp. This is how we have ended up in matters of construction.

The brigades disappeared. They made the enterprises. That is correct. Microbrigades could have been incorporated into the enterprises. Now they are called groups of I do not know what, and no one knows what they are. To tell the truth, many times they are chaotic. In the same way... [changes thought] the microbrigades absolutely did not clash with the directorate of the economic system. The economic system, enterprises, and everything can use plus work, real plus work. If we took 100 percent advantage of the work day, and there was no surplus of workers, with plus work alone we could complete many construction projects. The workers would have to work one-half hour more, actually 1 hour more, to resolve the problem of homes, circles [of interest], or whatever the case may be, a polyclinic, or construction of a youth recreation center to combat delinquency.

What did we fall into? We fell into a mess. We were impotent to construct anything. I have already spoken about this and about what we are going to do, what we propose to do with the resources we have, and we will not over extend ourselves. We are going to make some brigades, if we have the materials, in the provinces. We are going to build schools with this workforce. We are going to revive the microbrigades. The workers who have common sense and a revolutionary conscience unanimously became aware that microbrigades did not do any harm to the economy of this country but on the contrary, the microbrigades helped resolve a very serious problem.

We began, I say let us begin again. Unfortunately, this time we cannot proceed slowly because we are going to begin in the capital with the sanitation program. What is happening in the capital is a disgrace. The capital cannot solve the problem itself. We got as far as Batabano building homes. The capital can only build up and in some cases there is a lot-by-lot study. Now we are separating the 4 family doctor homes. Now no one knows who owns the lots. There is a defect in this plan just as there is in the plan that Pepe [not further identified] gave me.

Many peasants held onto a piece of land. Workers held onto a piece of land for cultivation. It was permitted. It was allowed. Much indiscipline was tolerated and later it takes a lot of work to correct this.

Some of the resources we have are sufficient to begin solving some of these problems. We will begin with the capital. Do not be discouraged, we have always begun with the capital, and we have made every effort to take the useful and positive experiences to the rest of the country as soon as possible.

The family doctor program began here, also. Ten doctors were assigned to the Lawton suburb. However, Granma Province has already filled all the positions of family doctors on the mountains. Within a few months, Guantanamo Province will complete its quota of family doctors on the mountains and in the rural areas. Santiago de Cuba Province will complete its quota next year. All this began in the capital, and you see what has been done. We have begun many things in the capital, such as the microbrigades program, which began in the capital and later moved on to the rest of the country.

Solutions can always be found. I learned that there was a grave problem with the child care centers in Havana, and that no more could be built. What does a care center mean? More food, more chicken, more ham. It is a headache. Can we solve it? It looks as if it does not have a solution, yet it can be solved. Havana has 35,000 children in child care centers. That means more food, a little more milk, a little more cream cheese. By eliminating the late afternoon meal, we can feed another 35,000 children with almost the same amount of food. I have estimated that we will have to produce a little more milk. If we ask the agricultural sector, it can produce it with the same resources. If we say we need an additional 15 million liters of milk, they will produce them with effort.

Thus, without bankrupting the country, without aggravating the situation, if we have the resources in manpower, sand, rock, and cement to build the centers without bankrupting the country with additional rationing, the same 100,000 children we have today -- I have reached my figures based on 100,000 children -- if instead of 100,000 there were 200,000 and we eliminate the late afternoon meal, which is not needed when you give them a hearty morning snack, the noon meal, and an afternoon snack -- all this implies a little more milk -- it is possible to have child care centers for 200,000 children without bankrupting the country. I decided to build the centers, a program to build centers. We will begin here, which is what we have proposed, building a number of child care centers, polyclinics, housing for the family doctors. The microbrigades are the ones that have made the miracle possible.

I would like to know if someone present here can honestly say if the 506 consultation office/houses -- these are 506 dwellings, among other things, and a service to the population -- could have been built in any other way than the party did. It asked support from the work centers to build them, with the surplus personnel. Is there any enterprise in the country -- I do not know if there is any in the world -- which would have been able to build in 6 months in 506 different locations 506 consultation office/houses? Is there such an enterprise? Has it been invented? Can anyone show me that enterprise's table of organization? [Castro hits the desk] However, in a very simple manner the province's party, by giving instructions to the people's government and providing support, the two together are building the 506 consultation office/houses. It seems to be a miracle!

I would like to know what would have happened if we had asked the enterprises of the people's government and Construction Ministry to build 506 consultation office/houses in 506 different locations. At least it would have been 2, 3, or more years. It would have been a disaster, chaos. There are a total of 1,500 in the country.

I believe there are revolutionary, new, creative formulas. They must exist with a little imagination, determination, a little less mediocrity. There are formulas to solve those problems. Now we are trying to solve these problems. A few days ago I visited the Guanabacoa suburb and was able to observe this, what building an additional 500 houses means in Guanabacoa per year and the child care centers they need without bankrupting the country to get more food. [Castro hits the desk] When we finish providing the family doctors for the entire municipality in 2 more years, it will be a new revolutionary measure benefitting youngsters who work hard, who get a small salary of 200 pesos, and who have an excellent attitude.

I can remember that they pay the taxi fare when they take a patient to another doctor in an emergency situation. I met with them and told them: I want you to have a notebook and take note of all these expenses so that you can get reimbursed at the end of the month. We cannot accept that you pay for expenses when you receive a small salary. After 2 months I asked about it and was told that no one had presented the notebook, no one had charged, and no wants to charge or that they be reimbursed. After learning about it, none of the neighbors would allow them to do it. They have gained their love and confidence. The neighbors look after them and would never ask the doctor to pay for anything. They have an excellent attitude.

I ask myself if we have underestimated in certain cases and at the same time have overestimated our supposed wisdom, our supposed virtues. We have hidden the reality. We have not magnified things. I believe that in all this we must make an effort to overcome difficulties in a correct manner. As I said, we have a great party, which is a privilege. It is a revolutionary party. These are not uncalled-for praises, I do it because I believe it. We know that we have a great party, the conditions of our cadres, despite all these trash we have discussed, such as deviations, confusions of all kinds. We know we have a great party and a great people.

In recent days we have observed their reactions. What we have to do is very clear, in fact we are already doing it, such as the work of the party, of the state, of the congress, of the provinces, of mass organizations, everybody is involved in this battle. The pioneers were among the first to issue warnings, as well as the workers, women, and students. We have an enormous moral wealth, which made it possible for us to be stronger in defense, and has made it possible for us to face up to all these economic difficulties, whatever they might be. It has been a social and political work and it is very important that we do an economic work, and I believe we can do it.

As I said, we know what we have to do and how to do it, and we will continue to do it and discuss it. It seems to me it is notable and historic the manner in which this meeting of the Central Committee has developed. Over a period of days, many hours, we have worked very hard, but we had never held a meeting such as this, which has been fruitful, earnest, and profound. This meeting is the result of the third congress. During the meeting, the manner in which our central committee has been enriched was clearly expressed. Each congress we have has increasingly enriched our experiences as well as the collective experience of the Central Committee.

Here we have been witnesses of the really serious and deep way the problems have been discussed, in a very calm and serene way.

This is one more encouraging reason to believe that we have a good Central Committee at the head of a great party, a Central Committee worthy of that party. I do not believe I am mistaken if I say that we are going to leave this meeting with a great assurance, with great confidence, with great satisfaction. But we have to work; we have to continue with this effort. The press has to inform about this material in line with what we were talking about education matters, we have to inform the people about the meeting we have held, regarding the contents of the meeting, to consolidate the confidence of the people. We should not despair if some are impatient and are taking immediate measures. All these measures still need to be analysed more. They have to be examined further. We intend to put them into practice as soon as possible every time we agree on a course of action. There are many things which need to be done immediately. Many problems need to be solved. They have been discussed in assembly meetings, and we do not have to wait to begin applying measures that have been established to correct them. We now begin to get involved in more complex problems.

Salary policies have been established and need to be put into practice. Some of the most discussed topics were the work laws and their enforcement. We have to work on this, on the subject of quality, labor unions. Where they need to exist and eliminate them where they do not apply, or apply them correctly where they are incorrectly applied. Many of these problems can already be worked on.

We still have some things to be discussed such as working Saturdays. For the time being what we have to attempt to achieve is that people rally work on those Saturdays. We need to end the softy attitude, the lack of demands, and for people to really work on those Saturdays. We already discussed here on the subject of freelancing, independent work. We noted the dangers of multiple skilled workers, their advantages, how to use them. We have discussed many very useful ideas. They are going to be very useful when the commission begins to present its proposals to the Politburo so that it can begin making the necessary decisions. We are approaching the time that we need to make some decisions. We have to make them wisely by doing political work. I believe we will find solutions to everything and especially political solutions by discussing them at length with workers.

The people's mood is good. The workers responses are good. We have mentioned once and will have to repeat 20 more times that this is not a campaign, this is a big battle, a big process, a big continuous struggle. Because after we begin to solve many of these things, we will have to watch closely how they behave. We have to strengthen them. I am sure that we will find the formulas. I am also sure that what Lazaro said is going to happen. We are going to obtain a victory from these difficulties. I am sure we are going to be strengthened in the same way we have with each and every one of the problems we have had throughout the course of the revolution. Reagan's threats have strengthened us. I believe we are going to take advantage of all these things. It was a great lesson that shows us that there are things that we cannot fool around with, that are too serious, too sacred and cannot be left unattended. I believe we are not working only for ourselves, we are working for the general cause of socialism. Socialism has been accumulating experiences, but it has also accumulated mistakes. We are not going to invent anything new. We are not going to experiment. We are going to correct all the things that are wrong. We are going to take everything good from the positive experiences we have had, and we are going to do it in the way it was suggested in the assembly meeting, calmly, patiently, wisely, without hurried decisions, without extremes. We have to avoid extremes. Any extreme on this can harm corrective actions. Any mistake we make now is going to harm corrective actions. We do not need to hurry. This is why I am glad that Comrade Veiga asked the labor unions to wait. They have to continue to wait so that once we have clear and exact ideas about what we should do regarding freelancing, then we decide what we are going to do and do it. We have to decide what we will authorize, what should not be authorized, why, how it is going to be carried out.

I am referring to independent workers. The matter of freelancing, as Panchito said, all those things that comrades have said, we need to continue gathering information, ask for everybody's opinion. We need to know how we should control that, how to do it. I do not believe that we should go back to what we had before. We should note the positive efforts it could have, the negative ones. But we have to discover the formula. We should use the positive things if they are found, if it provides a little flexibility to workers. But we also have to adopt measures to put an end to all the extravagant or negative things freelancing could have, which guarantees an equitable distribution of work. I also believe that the situation of some provinces -- and I have mentioned this many times -- forces us to give special attention to employment. Because although I said that nowadays the problem of employment is not the most serious one, there are other ones, there are other things. It was the inability of beginning Santiago's factory operations and all these problems we have talked about. Since we are confident that all these problems are going to be solved, we have to look at all those paces where the employment situation is serious. We have to make efforts to think -- considering the matters Comrade Lage talked about and considering some of the suggestions he made -- about what to do in places such as Jibara, in Granma. We continue to struggle. While we struggle against unemployment by building factories or making any kind of plans, we have to guarantee that those factories operate, that they work, that they are productive.

In the 5-year plan there are investments planned in Santiago de Cuba, Guantanamo. Two furniture factories are being built in Guantanamo. A spare parts factory is being planned. We have completed the one in Granma, and we have to build the one in Santiago. There are still things that the country needs. I believe that if we make efforts, we can find a formula that alleviates the crisis situation in connection with unemployment which exists in certain specific areas. The formula should not consist of bringing the people from Oriente to Havana because we are going to increase the capital's calamities. I believe Havana has to take care of its construction problems by itself, with its own energy, with its own sweat. It can do it. Especially with that sweat which is being wasted nowadays everywhere. It is being wasted.

I believe that what we have discussed about the press is also important. Criticism is only part of it. I talked about it. I do not have to say more. I believe the journalists congress will be very important, and I believe we will find adequate formulas to give a definite answer -- much as possible -- to the role of the press in the building and development of socialism. The bourgeois pride themselves on appearing to have freedom of the press, and I actually believe that if we are going to speak about courage, a revolutionary person has much more courage.

If we refer to moral values, the revolutionary person has many more moral values.

Comrades, I believe that with these ideas I have summed up my impressions, I have given the main conclusions of the meeting. Let's continue waging the battle. Let's get ready for the second half of this period. Let's see what can be discussed in the next plenum regarding what we have done, about the progress we have made. We have to systematically work every day with the party members, youths, workers, women, with mass organizations in general. From time to time we are going to be checking what we have done. We are going to have a discussion period, I believe between now and the next plenum, and before the next plenum a very important meeting will be held. It is about everything related to the conclusions of the congress. Progress is being made in the program's discussion process. It is also going to be a very important time. I believe that at that time -- 2 December, the first days of December -- we are going to have a much clearer idea, more exact idea, and possibly a number of measures will have already been taken.

We will approve the program. It will be a good time. Maybe we will have to do some touch-up work considering all these things. I believe that the time of the conclusions of the congress could be the turning point of this struggle. We will continue holding assembly meetings next year to see how much progress we have made regarding this in a year's time. We will hold our plenum again within a year. I believe that within a year we will have made considerable progress. I am confident that when we meet again we will have great successes and few mistakes. [applause]

FIDEL CASTRO TOURS SANCTI SPIRITUS PROJECTS

FL281134 Havana Radio Progreso Network in Spanish 1100 GMT 28 Jul 86

[Text] Commander in Chief Fidel Castro, party first secretary and president of the Councils of State and Ministers, has toured Sancti Spiritus projects built in honor of the 26 July holiday. Fidel inaugurated the 774-bed Camilo Cienfuegos Provincial Teaching Hospital and visited the medical sciences faculty, a sports school, the Yayabo River cleaning project, the new airport, an aqueduct which will supply water to the provincial capital, and a maternity hospital.

FIRE REPORTED AT MINSAP, PRENSA LATINA OFFICES

FL290100 Havana Television Service in Spanish 0000 GMT 29 Jul 86

[Text] Early this afternoon a fire of medium proportions broke out in the protocol hall of the third floor of the Ministry of Public Health [Minsap] at 23d and N Streets, in the Vedado. Soon after the fire began, combined firefighting forces evacuated residents and persons employed in the main offices of PRENSA LATINA.

Technicians in charge of the investigation are continuing their work; they will soon issue a report on the causes of the fire. There have been no injuries or loss of life.

SECRETARIAT MEMBER CROMBET ARRIVES IN USSR

FL281449 Havana Radio Reloj Network in Spanish 1402 GMT 29 Jul 86

[Text] As part of his tour throughout several socialist countries, Communist Party of Cuba Secretariat member Jaime Crombet today arrived in Moscow on an official visit at the invitation of the CPSU Central Committee. Crombet will remain in the USSR until 10 August, when he will leave for the GDR. He has already visited the CSSR, Hungary, and Bulgaria, where he held talks with political leaders and officials.

BLANCO VISITS PUERTO RICO DESPITE PROTESTS

PA261732 Paris AFP in Spanish 0154 GMT 26 Jul 86

[Text] Santo Domingo, 25 Jul (AFP) -- Dominican President Salvador Jorge Blanco flew to Puerto Rico today for a 36-hour visit which the Puerto Rican Independence Party (PIP) has harshly criticized.

The Dominican president will participate in ceremonies marking the 34th anniversary of the creation of the Commonwealth of Puerto Rico. The president was invited by Rafael Harnandez Colon, Puerto Rican governor and friend of Blanco.

It was officially reported that a retinue of government officials, newsmen, and special guests will accompany the president.

The PIP, a member of the Socialist International, as is Blanco's Dominican Revolutionary Party (PRD), maintains traditional ties of understanding with the PRD. It publicly chastised the Blanco visit, claiming that it endorses "the colonial status of Puerto Rico."

A PIP envoy, Luis Rivera, who was sent to give the PRD the text of the declaration against Salvador Jorge Blanco, was delayed at the Santo Domingo International Airport and then sent back to Puerto Rico. This action prompted even harsher criticism by the PIP.

PRD President Jose Francisco Pena Gomez, a friend of PIP President Senator Ruben Berrios, asked him to work to prevent protests against Salvador Jorge Blanco during his stay in Puerto Rico.

BALAGUER IN U.S. FOR EYE CHECKUP

PA281607 Paris AFP in Spanish 0103 GMT 28 Jul 86

[Text] Santo Domingo, 27 Jul AFP) -- Dominican President-elect Joaquin Balaguer traveled to the United States unexpectedly this afternoon, to Boston, where he will undergo an eye checkup.

In a brief bulletin, Balaguer's Social Christian Reformist Party announced the departure, even though until noon it was being reported that the trip had been cancelled.

The president-elect is accompanied by his nephew, Joaquin Ricardo, political secretary of the Social Christian Reformist Party; leader Guaro Liranzo; and his new personal assistant, Minu Torres. The party did not state how long Balaguer will stay in the United States, but the stay must be brief because he takes office on 16 August.

The bulletin did not indicate whether Balaguer will meet with Ronald Reagan during his stay.

BRIEFS

MARIJUANA SHIPMENT SEIZED -- Santo Domingo, 13 Jul (EFE) -- Dominican naval officials have seized a marijuana shipment valued at 8 million Dominican pesos, approximately $3 million. Vice Admiral Victor Manuel Barjan Mufdi said that the marijuana was found aboard a Colombian ship. The Gulf Amster II only the value was disclosed, which is approximately $3 million. [Summary] [Madrid EFE in Spanish 1500 GMT 13 Jul 86 PA]

TRINIDAD-TOBAGO

MINISTER ON COMMONWEALTH ROLE IN SOUTH AFRICA

FL281127 Bridgetown CANA in English 2024 GMT 28 Jul 86

[Text] Port-of-Spain, Trinidad, July 27, CANA -- the Commonwealth grouping may well have a role to play in the reconstruction of South African society when it achieves peace, according to Trinidad and Tobago's External Affairs Minister Errol Mahabir.

Mahabir made the comment in an interview with the TRINIDAD GUARDIAN newspaper published yesterday. His remarks came at a time when the usefulness of the Commonwealth is being questioned.

The current disagreement over South Africa may be a conflict of principle over the direction that the Commonwealth should take against the apartheid regime but is should not be viewed as a fundamental and irreconcilable difference of opinion, said Mahabir.

He pointed to the technical, legal, advisory,and disursory links between the 49-member grouping weighed against the boycott of the Commonwealth Games more than 25 countries are now staging protesting Britain's refusal to impose economic sanctions against South Africa.

Whatever the difficulties and conflicts that the organisation is currently experiencing over this matter, it is nevertheleess more likely to provide effective action against South Africa than an organisation such as the United Nations where the majority can sometimes be overturned by the interests of a minority, he commented.

In this context, Mahabir continued, it therefore seems counter-productive to advocate the dissolution of the Commonwealth on the grounds that one member of the 49 member states is out of step with the rest of the association on one issue.

This is especially important given the role that the Commonwealth may yet be able to play in the reconstruction of South Africa society once peace has been brought to that troubled country.

Parliamentary opposition leader, Basded Panday, told the paper that the grouping should put the maximum pressure on Britain to induce sanctions.

I don't think withdrawing is the idea, said Panday.

Expelling Britain might be better.

I am not too happy over the enormous overriding influence on developed Commonwealth countries over developing Commonwealth countries which contain the greater part of the Commonwealth population, said Matthew Ramcharan, Commonwealth Parliamentary, Association [CPA] Executive Committee member.

Ramcharan is also co-chairman of the local branch of the CPA and speaker of the house of representatives.

It is time that the equal partnership in the Commonwealth should show itself and that the voice of the majority should be predominant, he said.

FBIS

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SANGUINETTI ARRIVES, MET BY ALFONSIN, SARNEY

PY291325 Buenos Aires TELAM in Spanish 1315 GMT 29 Jul 86

[Text] Buenos Aires, 29 Jul (TELAM) -- Uruguayan President Julio Maria Sanguinetti arrived by plane from Uruguay at 1012 [1312 GMT] at the Jorge Newbery Metropolitan Airport.

The Uruguayan chief of state was met by Argentine President Raul Alfonsin and Brazilian President Jose Sarney.

3 Presidents Issue Communique

PY291730 Buenos Aires TELAM in Spanish 1639 GMT 29 Jul 86

[Text] Buenos, Aires, 29 Jul (TELAM) -- The presidents of Argentina, Brazil, and Uruguay today discussed their subregional integration process and signed a joint communique at the end of a meeting held at the Olivos Residence.

The following is the text of the communique:

The presidents of Argentina, Brazil, and Uruguay today met to discuss the subregional integration process.

President Sarney and Alfonsin, accompanied by their closest aides, gave a detailed briefing on the protocols on economic integration that Brazil and Argentina will sign today.

President Sanguinetti expressed his firm support for these initiatives, which he described as highly significant for the future of the subregion and for the whole of the Latin American integration process.

President Sarney and Alfonsin invited their Uruguayan counterpart to discuss with them those procedures whereby Uruguay could join this process, especially on the basis of economic cooperation and integration agreements already signed by Uruguay with Argentina and Brazil.

To this end, the three presidents decided to instruct their respective foreign and economy ministers to hold meetings within the next 90 days in order to implement this decision.

The communique was released at the Olivos Residence at the end of a meeting held from 1050 to 1245.

Sanguinetti Departs

PY300320 Buenos Aires TELAM in Spanish 2324 GMT 29 Jul 86

[Excerpts] Buenos Aires, 29 Jul (TELAM) -- Argentine President Raul Alfonsin this afternoon said it is necessary to build a subregional common market, but he also warned that to boast about the subject would have negative effects.

Alfonsin made these statements to journalists at the metropolitan airport after bidding farewell, with Brazilian President Jose Sarney, to Uruguayan President Julio Maria Sanguinetti. [passage omitted]

The Argentine president said we wanted Sanguinetti to know about our talks and invite him, as we did, to tell us what he thought would be useful or necessary.

Alfonsin said: We have reviewed all subjects, even the international ones, and we once again have had the opportunity to verify the points that the Argentine, Uruguayan, and Brazilian democracies have in common.

ALFONSIN, SARNEY REACH ECONOMIC AGREEMENT

PY291519 Buenos Aires TELAM in Spanish 2314 GMT 28 Jul 86

[Excerpts] Buenos Aires, 28 Jul (TELAM) -- On their 1st day of talks, Argentine President Raul Alfonsin and Brazilian President Jose Sarney today discussed details of the agreements on economic complementary action they will sign tomorrow, including the one giving the initial impulse for the creation of a Latin American economic market.

Sarney, who today began a 3-day official visit to Argentina, tomorrow will hold tripartite talks with Argentine President Raul Alfonsin and Uruguayan President Julio Maria Sanguinetti on integration and cooperation projects involving the three countries. [passage omitted]

After paying tribute to General Jose de San Martin at his monument in Plaza San Martin, Sarney paid a courtesy call on Alfonsin at Government House. During the meeting, the two presidents expressed their satisfaction at the agreements on economic integration they achieved during their first round of talks. [passage omitted]

In a ceremony held in the White Room of Government House, Alfonsin then decorated his Brazilian counterpart with the Grand Collar of the Order of General San Martin. In turn, Sarney decorated Alfonsin with the Grand Collar of the National Order of the Southern Cross.

Later, the two presidents conferred at the Brazilian Embassy, where Sarney feted Alfonsin with a luncheon and toasted Brazilian-Argentine friendship. [passage omitted]

Yesterday afternoon Alfonsin and Sarney met again at the Olivos Residence to hold another round of talks on the 11 agreements they will sign tomorrow at 1900 local time [2200 GMT] in the White Room of Government House. These agreements will include the lifting of customs barriers, trade in grains and capital assets, and cooperation in the area of energy, biotechnology, and informatics. [passage omitted]

Sign Integration Document

PY300046 Buenos Aires TELAM in Spanish 2212 GMT 29 Jul 86

[Text] Buenos Aires, 29 Jul (TELAM) -- Presidents Raul Alfonsin of Argentina and Jose Sarney of Brazil today signed a bilateral economic integration document calling for growth in production, trade, and technological exchange and development projects. The presidents signed the document during a ceremony in the White Hall of Government House in the presence of Brazilian Foreign Minister Roberto Costa de Abreu Sodre and Argentine Foreign Minister Dante Caputo, both of whom signed 12 integration protocols.

As they signed the document, Alfonsin and Sarney noted the need to call on their peoples to jointly try to take the path toward growth and modernization that will allow them to overcome current obstacles and to face the challenges of the 21st century.

The presidents agreed on the need to consolidate democracy as a system of living and government, as well as on the efforts being made by the two governments for stable growth and development.

They said that the creation of a common economic space will open broad opportunities for joint growth and for their people's welfare. This will enhance the autonomous capacity of the two countries. This program constitutes a renewed effort for the integration of Latin America and for the consolidation of regional peace, democracy, safety, and development.

The presidents of Argentina and Brazil have decided to establish an economic cooperation and integration program that will be implemented gradually, subject to annual evaluations, and the negotiation and planning of goals. The plan will be flexible so its objectives, rhythm, and scope can be adjusted. Each stage will include a small group of integrated projects.

The plan calls for technological modernization and more efficient use of resources by the two economies. It also foresees active participation by the business sectors to ensure its effective implementation.

A special executive commission for the program will be formed to hold meetings every 6 months and evaluate the progress of the plan and that of the groups created by the 12 protocols.

This commission will be made up of the Argentine foreign and economy ministers, and the foreign industry and commerce secretary; and the Brazilian foreign, finance, industry and commerce ministers, and the National Security Council secretary general.

It was explained that this commission will be able to increase the number of its members, when necessary, by incorporating other officials to evaluate and propose measures in specific fields.

Alfonsin and Sarney approved 12 protocols to the integration document which will constitute the first stage of the economic cooperation and integration program between Argentina and Brazil.

Protocols on Economic Integration

PY300156 Buenos Aires TELAM in Spanish 2221 GMT 29 Jul 86

[Text] Buenos Aires, 29 Jul (TELAM) -- Argentine President Raul Alfonsin and Brazilian President Jose Sarney today signed 11 protocols for economic integration and cooperation. In general, these protocols refer to programs on capital goods, wheat, food supply, trade expansion, binational enterprises, financial questions, investment funds, energy, biotechnology, economic studies and information, and mutual assistance in cases of nuclear accidents and radiological emergencies.

Protocol 1

The chiefs of state of Argentina and Brazil establish an integrated program of production, trade, and technological development of capital goods. The program includes a variety of capital goods which can be expanded by common agreement between the parties and which will serve as the basis for negotiation of a common list of products that will be treated as domestic products in Argentina and Brazil.

These products will not be subject to customs tariffs or to any kind of nontariff restrictions or impediments, whether administrative or quantitative, nor will they be subject to import fees.

The total trade of those products on the common list will have a ceiling equivalent to $2 billion for the next 4 years, distributed in the following way: The equivalent of $400 million in 1987; the equivalent of $400 million in 1988; the equivalent of $550 million in 1989; and the equivalent of $750 million in 1990.

It is desirable that by the end of 1990, the common list should represent at least 50 percent of the goods on which agreement has been reached. It is estimated that the number of products on the list will be increased every 6 months by a given percentage over the 1987-1990 period.

The protocol establishes that Argentine-Brazilian trade will be in dynamic euilibrium provided the 4-month accumulated surplus is not higher than 10 percent of the value of trade for four 4-month periods (the present one and the next two) [as received] taken together, and calculated on the basis of the annual ceilings for total trade.

Should the imbalance surpass 10 percent, new products chosen from the common list will be included, and an additional financial mechanism between the central banks of the two countries will take effect. If the imbalance surpasses 20 percent, the clause of contribution to the Investment Fund will be activated. Should the imbalance surpass 40 percent, measures compatible with the trade situation in general will be adopted to correct it.

It also determines that the value of components of products on the common list imported from third countries should not exceed 20 percent of the product's export price.

Protocol 2

In order to increase the level of consumption by the population of the two countries in the most effective way, it is decided to establish an integrated project of production, storage, transport, and supply of wheat. Two working groups will be created by 30 September 1986, one to examine and propose a program of gradual harmonizaton of the Argentine and Brazilian economic policies regarding that integrated project, and the other, to identify critical aspects in the system.

The Brazilian Government commits itself to buy and the Argentine Government commits itself to sell the following minimum amounts of wheat during an initial period of 5 years: 1,375,000 tons in 1987; 1,450,000 tons in 1988, 1,550,000 tons in 1989; 1,700,000 tons in 1990; and 2,000,000 ton in 1991.

The class of wheat, price, payment terms, delivery schedule, and points of loading and unloading will be determined by the National Grain Board of Argentina and the Wheat Deliberative Board of Brazil. The Argentine Government will accord Brazil the position of preferential buyer, and the Brazilian Government will accord Argentina the position of preferential supplier.

Protocol 3

This protocol establishes the mechanisms which will pave the way for the total or partial mutual complementation of the domestic food supply in the two countries in case of local production shortfalls.

A working group will be set up to prepare a list of foodstuffs that each country will be able to supply to complement its counterpart's domestic consumption and to propose the mechanisms capable of guaranteeing this complementary supply. This group will be set up before 30 September 1986 and it must submit its first report by 31 December of the same year.

Protocol 4

Argentina and Brazil will conduct economic and commercial talks aimed at promoting gradual and sustained expansion of bilateral trade seeking a broad complementation of each other's production. The expansion of the trade must be attained in a balanced and dynamic manner.

As of 4 August the renegotiation of Partial Accord [AAP] No 1 will begin at the headquarters of ALADI [Latin American Integration Association] in keeping with the terms of reference agreed upon on 10 July 1986. These negotiations must conclude by 31 October 1986 at the latest.

An annex to this protocol sets forth the terms of reference for the renegotiation of this partial accord. The rules and regulations governing the future accord must be the ones approved in May 1984, which will remain in effect for 6 years as far as the new accord is concerned. The renegotiation -- from which the goods included in the common list will be excluded -- will encompass all the goods covered by the AAP, as well as any new ones that the parties agree to include.

Protocol 5

The Argentine and Brazilian Governments agree to create conditions favorable to the establishment of bilateral enterprises. A working group will be set up to draft a statute for binational enterprises. This statute must meet the requirements of national corporations of the two countries willing to go into partnership. This group must be set up by 30 September this year and submit its first report by 30 November 1986.

Protocol 6

In order to improve the cash flow of the compensatory system of the agreement on mutual lines of credit between Argentina and Brazil, and to reduce possible imbalances in the sector of captial goods, the Argentine and Brazilian central banks will streamline the technical and operational terms of this system by establishing a mechanism for reciprocal financing of the negative balances of each 4-month period.

Furthermore the two banks will establish an an additional financial arrangement which will be activated whenever there is an imbalance of the trade in capital goods included in the common list. Stand-by credit lines will be opened to cope with this possibility.

Protocol 7

The Argentine and Brazilian Governments have decided to establish an investment fund to promote growth, especially in the field of capital goods, which in the future will be part of the economic cooperation and integration program. The organizational structure of this investment fund must be ready by 30 November 1986.

The financing of projects aimed at expanding production through medium- and long-term loans will be granted primarily to binational enterprises of national capital.

The investment fund will be able to participate as a minority stockholder in binational enterprises and its initial capital will be equivalent to $200 million. Should trade in capital goods experience an imbalance of over 20 percent of the fund's capital, the two governments will have to contribute equal shares to make up the imbalance.

Protocol 8

In the field of energy, the appropriate authorities of the two countries must complete before 31 December technical studies on the supply of Argentine gas to Brazil. They must determine the possibility of carrying out joint oil exploration and exploitation programs in Argentine territory, and prepare a bilateral technological exchange project in the petroleum field, and increased exchanges of petrochemical products and by-products.

This protocol adds that basic plans for the Garabi Binational Hydroelectric dam must be concluded before the end of the year, that the negotiations for the Pichu-Picun-Leufu Hydroelectric Dam must progress, and that the Latin American Energy Organization [OLADE] be supported and strengthened.

Protocol 9

An Argentine-Brazilian biotechnology center will be created. It will be made up of two knowledge-generating sources, existing investigation centers which will be expanded. A working group will be established to prepare the necessary documents. This working group will ensure that the center will be directed in alternative 2-year terms by an Argentine and then a Brazilian scientist.

Protocol 10

In the field of economic cooperation and integration, an Argentine-Brazilian advanced economic studies center will be created. This center will annually select professionals from the two countries to prepare research projects on the economies of the countries. Each government will contribute $200,000 annually for this project.

Protocol 11

Argentina and Brazil hereby decide to cooperate, through the exchange of technical information, to establish measures and procedures to prevent or mitigate the damage that might result from an eventual nuclear accident or radiation emergency, and to set up a rapid mutual information system in case such an accident or emergency occurs.

Each country can request assistance from the other country in case of a nuclear accident or radiation emergency in its respective territory. Control, coordination, and general supervision of the assistance is to be conducted by the country that requests it.

The National Atomic Energy Commission in Argentina and the National Nuclear Energy Commission in Brazil will be designated as coordinating and executing agencies of Protocol Number 11. These two commissions will establish procedures for the execution of this cooperation program by 30 January 1987.

12th Protocol Signed

PY302328 Buenos Aires TELAM in Spanish 2318 GMT 29 Jul 86

[Text] The text of Protocol 12 on aeronautics cooperation between Argentina and Brazil was just released. By this protocol it was decided to consolidate actions to manufacture parts of Brazilian airplanes in Cordoba.

The presidents of Brazil and Argentina have decided to study and decide on the possible use by their respective air forces of airplanes manufactured by Argentine and Brazilian industries, as part of industrial cooperation integration, which will depend on the peculiar interests of each country.

The two governments have created a joint working group to study and advise the Argentine-Brazilian aerospace industry cooperative under the supervision of the two air forces.

Protocol 12 refers to the agreement between the Argentine Defense Ministry and the Brazilian Aeronautics Company on 17 January 1986.

FISHING AGREEMENT SIGNED BY SOVIET AMBASSADOR

PY292212 Buenos Aires TELAM in Spanish 0031 GMT 29 Jul 86

[Text] Buenos Aires, 28 Jul (TELAM) -- Lucio Reca, the Argentina secretary for agriculture, livestock, and fishing, today signed a fishing agreement with Soviet Ambassador Oleg Kvasov. The agreement will allow the USSR to fish in Argentine territorial waters through joint ventures.

Under Secretary for Fishing Luis Jaimes has reported that the agreement is in line with the Argentine Government's broad policy and with the provisions of the Law of the Sea.

Jaimes said that the agreement outlines the minimum conditions required for its future implementation with a view to preserving and making the best possible distribution of available resources.

In the agreement signed today the USSR has agreed to purchase Argentine fishing products, that is, those caught by Argentine ships and processed by Argentine plants. These purchases will be equivalent to 30 percent of the catch of the Soviet ships. The Argentine Government will establish the fishing quotas annually.

Jaimes added that 10 percent of the crewmen of the Soviet ships will have to be Argentine citizens and that Argentine officials will be in charge of surveillance and control activities in the area.

BRIEFS

DEFENSE PRODUCTION SECRETARY -- Buenos Aires, 11 Jul (TELAM) -- During a simple ceremony Defense Minister Horacio Jaunarena today installed Defense Production Secretary Rainani Barbagna, who is replacing Daniel Larriqueta. [Excerpts] [Buenos Aires TELAM in Spanish 1443 GMT 11 Jul 86 PY]

COMMUNICATIONS SECRETARY -- Buenos Aires, 10 Jul (TELAM) -- Public Works and Services Minister Pedro Trucco today installed Juan Ciminari as communications secretary [Summary] [Buenos Aires TELAM in Spanish 2358 GMT 10 Jul 86 PY]

FOREIGN MINISTER TO MEET CHILEAN COUNTERPART

PY292359 Paris AFP in Spanish 2134 GMT 28 Jul 86

[Excerpt] La Paz, 28 Jul (AFP) -- Bolivian Foreign Minister Guillermo Bedregal and his Chilean counterpart, Jaime del Valle, will meet on 7 August in Bogota, Colombia, Bolivian Foreign Ministry sources reported here today. It has been reported that the meeting will take place on the occasion of Colombian President-elect Virgilio Barco's inauguration, which will be attended by the two foreign ministers. [passage omitted]

CHAPARE PEASANTS ON ALERT AGAINST U.S. TROOPS

PY292355 Paris AFP in Spanish 2241 GMT 29 Jul 86

[Text] La Paz, 29 Jul (AFP) -- Peasants and settlers of Chapare, the main coca-producing region in Bolivia, today declared a general mobilization against the impending actions by Bolivian police forces and U.S. troops against local drug-traffickers. Peasant workers of this tropical region in central Bolivia have stated that they have been notified that the Leopards, an elite branch of the Bolivian police, backed up by U.S. troops and helicopters, are about to launch an operation in Chapare. Leaders Julio Rocha and Alberto Vargas reported that the instructions issued to the thousands of members of our association are secret and will be implemented as soon as the U.S. troops are sighted.

Meanwhile, the Federation of Cochabamba Peasants held a congress at which it agreed to reject categorically the presence of foreign troops in Bolivia and to state its opposition to the attempt to eradicate coca cultivation. Since 14 July, some 170 U.S. soldiers backed by helicopters, planes, modern communications equipment and weaponry have been carrying out operations against drug traffickers in northeastern Bolivia. Their objective is to break up cocaine production and trafficking.

MINEWORKERS BEGIN GENERAL STRIKE 28 JULY

PY300110 Paris AFP in Spanish 1522 GMT 28 Jul 86

[Text] La Paz, 28 Jul (AFP) -- The general, indefinite strike decreed by the Mineworkers Federation to demand the rehabilitation of the Mining Corporation of Bolivia (Comibol) began today, according to federation leaders in La Paz. Last week, the Mineworkers Federation presented to President Victor Paz Estenssoro a rehabilitation plan for Comibol. Mines Minister Jaime Villalobos considered the plan to be unrealistic.

In the opinion of the workers, the closure of the mines will mean certain death for important cities like Oruro and Potosi, where the civic committees have joined the protest. The Mineworkers Federation maintains that the government, which favors private enterprise, intends to return the nationalized mines to private national and foreign ownership. With that purpose, the mineworkers' leader Simon Reyes said, the government has stopped sending tools and food to the mining camps, and the situation has become so serious that hundreds of children are in grave danger of starving to death.

MILITARY COURT JUDGE ACCEPTS TORCHING CASE

PY291328 Santiago Radio Chilena in Spanish 2300 GMT 28 Jul 86

[Excerpt] Santiago Military Judge Brigadier Samuel Rojas has ruled that the case of burned youths Rodrigo Rojas de Negri and Carmen Gloria Quintana falls within his jurisdiction.

At the same time it was announced that Colonel Alberto Marques has been appointed ad hoc legal adviser to continue the investigations involving the torching case. [passage omitted]

BISHOPS CLAIM TO HAVE VIDEOTAPE OF BURNING

PY292101 Santiago Radio Chilena in Spanish 1700 GMT 29 Jul 86

[Text] Chilean bishops have seen a videotape of the burning of Rodrigo Rojas de Negri and Carmen Gloria Quintana. This was announced by Punta Arenas Bishop Tomas Gonzalez. We are in contact now with reporter Rodrigo Araya in Punta Arenas. Come in Araya.

[Begin relay] [Araya] Good afternoon. The people of Punta Arenas are still stunned by the cruel treatment of Rodrigo Rojas de Negri and Carmen Gloria Quintana, who were intentionally burned by persons who, according to eyewitnesses, wore military uniforms. Several expressions of solidarity have been extended to this city to Carmen Gloria and to relatives of Rodrigo Rojas, who died 3 days after the incident. The ruling by Judge Echavarria who was investigating the case has also shocked the people here. As is known, the judge decided to free 24 military men who were involved in this event. He only indicted one lieutenant, who actively participated in the burning of the two youths.

Punta Arenas Bishop Monsignor Tomas Gonzalez has reacted strongly to this unfortunate episode. The day after Judge Echavarria's decision, the bishop sent him an open telegram asking him to reconsider, because justice is more necessary today than ever to prevent violence. Not satisfied with this, the bishop released more details of the horrible intentional burning of these two youths. Let us hear what Bishop Gonzalez has to say.

[Gonzalez] During the episcopal conference we were visited by eyewitnesses. We even had the opportunity to watch a videotape of the incident. I do not know how it was recorded, but we saw the persons involved. This of course made a very bad impresion. [Words indistinct] and how the investigations have taken a different course.

[Araya] According to what the bishop said, all Chilean bishops who met during the past two weekends in Santiago on the occasion of the latest special episcopal conference had the opportunity to watch the videotape. We know who the culprits are, and for this reason we have no fear of telling the truth. We want the truth to prevail, and we will raise our voices to achieve this, the bishop stated. He once again expressed his indignation about this event. This is Rodrigo Araya speaking from Radio President Ibanez Press Hall in Punta Arenas. Good afternoon. [end relay]

Good afternoon Rodrigo. This shocking news that was learned only today in Santiago was published on 27 July by the newspaper EL SUR of Concepcion. I will read it for you. On page 6, the headline reads: Punta Arenas Bishop: We Saw a Videotape of How Youths Were Burned; Punta Arenas, special for EL SUR of Concepcion. Remarks by Diocesan Bishop Msgr Tomas Gonzalez have caused shock in this southern city.

He said that all bishops who participated in the recent national episcopal conference saw a complete video recording showing the two youths, Rodrigo Rojas de Negri and Carmen Gloria Quintana, being burned. The first person died. The report published by the newspaper EL SUR on 27 July adds: According to a report published by LA PRENSA AUSTRAL of Punta Arenas, Msgr Gonzalez stated that all Chilean bishops are perfectly aware of what happened in the burning case, because they have first-hand information of the unfortunate episode, which as shocked national and international public opinion.

The bishop added that during the special episcopal conference the Chilean bishops had the opportunity to listen to dramatic reports by persons who witnessed the arrest and subsequent burning of the two youths. The bishop added that in addition to the reports given by eyewitnesses, the group also had the opportunity to watch a videotape showing these events. He said that he cannot reveal how this videotape was recorded, but that on it they could clearly see the persons who conducted the burning. This of course has given us a very bad impression, and I think that, as it has been reported to the appropriate authorities, this has also changed the manner of conducting the investigations, Bishop Gonzalez added.

We have eyewitnesses, who belong to the parish located a few steps away from where the incident took place. He concluded by saying that the judge hearing the case now has in his hands the tape, on which the incident can be seen very clearly. This is the report published on 27 July by the newspaper EL SUR on Concepcion, and which was read for you by Punta Arenas Bishop Tomas Gonzalez.

Allegedly Shown on Television

PY300309 Santiago Radio Chilena in Spanish 2300 GMT 29 Jul 86

[Relay from Punta Arenas by Rodrigo Araya]

[Excerpts] Punta Arenas Bishop Tomas Gonzalez admitted that he is aware of the existence of a videotape showing the incident that resulted in the death of youth Rodrigo Rojas de Negri and serious burns sustained by Carmen Gloria Quintana. A communique issued this afternoon by the Communications Department of the Punta Arenas Bishopric states that Bishop Tomas Gonzalez is aware of the existence of this tape.

Moreover, it is added that the bishopric's Pastoral Commission on Human Rights was informed that this videotape was broadcast during a newscast of an Argentine television channel. [passage omitted]

We reiterate that the Punta Arenas bishop admitted he was aware of a videotape showing Rodrigo Rojas de Negri, who is now dead, and Carmen Gloria Quintana being set on fire and that this tape was allegedly shown during a television newscast in a southern Argentine town.

Episcopate Denies Video's Existence

PY300315 Madrid EFE in Spanish 0036 GMT 30 Jul 86

[Excerpt] Santiago, 30 Jul (EF) -- Sources of the Chilean Episcopate today denied the existence of a videotape showning youths Rodrigo Rojas and Carmen Gloria Quintana being burned on 2 July.

The sources consulted by EFE stated that the Punta Arenas Archbishopric is preparing an official denial to clear up a misinterpretation by the newspaper EL SUR of Concepcion and the Catholic Radio "Chilena" station of Santiago of statements by Punta Arenas Bishop Tomas Gonzalez. [passage omitted]

FOREIGN MINISTER CRITICIZES U.S. LAWYER'S VISIT

PY291352 Santiago Radio Chilena in Spanish 1700 GMT 28 Jul 86

[Relay from the Foreign Ministry by reporter Jose Francisco Contreras]

[Text] Chilean Foreign Minister Jaime del Valle has described the visit to Chile by U.S. Republican Party lawyer Bruce Rabb to observe the legal process of the case of the torched students in Santiago as inappropriate. Del Valle said that Rabb's mission in Chile is inappropriate and that it shows how U.S. diplomacy is incongruous with that of Chile. Regarding a rumored Cabinet change that would affect, among others, the foreign minister, Jaime del Valle denied it.

[Begin Del Valle recording] No, not as far as I know. I have been asked the same thing many times. My resignation has not been requested, and I have not presented it, but you journalists will make me resign soon. [end recording]

Regarding news agency reports of U.S. Government spokesman saying that the U.S. Government will forbid the international banks to grant loans to Chile, Del Valle said he was optimistic. He said he believes that it would not be a good decision because the United States knows very well that such a measure would not harm the Chilean Government, but would harm the Chilean people instead. We trust, he said, that the U.S. Government understands that this sort of measure is absolutely unrealistic and that it will only benefit Marxism and those who want to hinder our government's effort to practice full democracy.

Foreign Minister Del Valle concluded by saying that the manner in which the United States is expressing its concern for human rights in Chile is not the most appropriate. Minister Del Valle made these comments after meeting with President Pinochet in La Moneda Palace to brief him on a meeting he recently held with 15 Chilean ambassadors appointed to foreign capitals and to international organizations.

Merino Comments

PY300343 Santiago Domestic Service in Spanish 2300 GMT 29 Jul 86

[Excerpts] Navy Commander Admiral Jose Toribio Merino, at Government House, has rejected the criticism of a judge. Merino said that those who criticize the performance of the judge appointed to hear the case of the burned youths are insolent and audacious. The Navy commander made these comments after an regular Government Junta session during which four important bills were approved. [passage ommitted]

Adm Merino was also asked about the arrival in the country of a U.S. lawyer. He said: We have nothing to hide from the world, and if anyone is interested in learning how things are done he is welcome to come to Chile, unless he is a terrorist.

Referring again to this issue he said he thought that the foreign official's presence does not represent intervention in our domestic affairs. [passage omitted]

POLICE TAKE ANALISIS MAGAZINE OFF NEWSSTANDS

PY292248 Paris AFP in Spanish 1802 GMT 29 Jul 86

[Text] Santiago, 29 Jul (AFP) -- Executives of ANALISIS magazine have reported that Chilean police have taken off the newsstands today's edition of the opposition magazine ANALISIS, which on its front page carries the headline: Pinochet Alone. The report under this headline refers to the gradual desertion by supporters of General Augusto Pinochet's government.

The confiscation took place following Judge Leonel Beraud's decision to order the arrest of reporter Juan Pablo Cardenas, director of the leftist weekly magazine, who was accused of slandering the chief of state in several articles.

The charges against Cardenas and 29 other reporters and contributors to ANALISIS were brought by the military government and based on provisions of the state internal security law.

Cardenas has not yet been detained, despite the judge's ruling.

ANALISIS Deputy Director Maria Olivia Monckeberg has confirmed that copies of this Tuesday's edition were taken off the newsstands, but added that she does not know who ordered this new action.

She added that apparently it is an administrative punishment and part of the persecution being conducted by the government seeking to close down our magazine.

Judge Indicts Director

PY291513 Santiago Domestic Service in Spanish 2300 GMT 28 Jul 86

[Text] Juan Pablo Cardenas, director of ANALISIS magazine, has been indicted for allegedly insulting the president of the republic. The decision was passed down by Santiago Appellate Court Judge Leonel Beraud, who was notified of the Interior Ministry charges regarding the alleged violation of the state security law.

The ministry's charges involve 29 persons linked to ANALISIS, including journalists, commentators, and interviewers.

The judge has questioned the 29 accused individuals separately, and his decision to indict Juan Pablo Cardenas is the first one passed down. Cardenas is charged with violating Article 6, Clause B, of Law 12,927, which punishes those who insult the chief of state.

Based on the above indictment, the judge will order the arrest of Juan Pablo Cardenas.

PCCH LEADERS HOLD PRESS CONFERENCE

For Moscow coverage of a four-part "clandestine press conference" granted by members of the PCCh's leadership to journalists of the AP and UPI news agencies, the Buenos Aires newspaper CLARIN, THE BBC, and THE GUARDIAN newspaper of London, see the Latin America & Caribbean section of the 24 July Soviet Union DAILY REPORT and subsequent issues.

RAMIREZ OCAMPO ON U.S., FSLN 'ATTITUDES'

PA281907 Hamburg DPA in Spanish 2009 GMT 27 Jul 86

[Text] Bogota, 27 Jul (DPA) -- Foreign Minister Augusto Ramirez Ocampo criticized the attitudes of the United States and Nicaragua within the political context of Central America, saying that many forces are conspiring against peace in that region.

Ramirez Ocampo has played an intense role in the Contadora Group -- formed by Colombia, Venezuela, Mexico, and Panama -- which has tried to seek peaceful solutions and stability in Central America. He said: "We do not want any type of support for subversive, irregular, or terrrorist forces in that area, which, in our view, is vital to peace."

The minister said: "While the United States continues to support the contras (opposed to the Sandinist Government of Nicaragua) in Central America, in a manner that obviously goes against international law and against the principle of nonintervention, and while some countries cooperate, for example, with the revolution in El Salvador or other nations, there can be no peace."

Ramirez Ocampo added: "The same goes for the repression of freedom in Nicaragua, as in the case of the newspaper LA PRENSA, and the expulsion of bishops such as Msgr Vega. The Nicaraguan Government also refuses to allow Father Bismarck Carballo to enter the country and obstructs the work of civilian leaders presently constitutionally opposed to the regime.

Ramirez Ocampo's statements were published today by liberal newspaper EL ESPECTADOR. He said that he does not believe the Contadora Group, backed by the Support Group -- Argentina, Brazil, Peru, and Uruguay -- has failed because the peace document has not been signed. Ramirez Ocampo pointed out that Contadora has reclaimed the validity of international law, has attracted the awareness of all Latin America, and has opened prospects not only regarding peace in Central America, "but for many other initiatives enormously important to the Latin American community."

After commenting that the Contadora Group will try to ensure that the Central American conflict does not turn into a direct confrontation between the powers, Ramirez Ocampo regretted and criticized the open U.S. support of the military opponents of the Nicaraguan Sandinists.

"International law has been devalued, at least in this case," he added, commenting that the Contadora Group and the Support Group have never lacked sincerity in expressing their points of view to the world.

Ramirez stressed: "I believe that perhaps the only thing we cannot be criticized for is a lack of clarity. Few times has the language (in the document of objectives as well as in the Contadora document) been used in a more correct manner."

On 7 August the Colombian Government will turn power over to the government that will be headed by Liberal Engineer Virgilio Barco Vargas, a former ambassador to the United States who is married to an American woman.

GARCIA ANNIVERSARY ADDRESS TO NATION

PY282132 Lima Domestic Service in Spanish 1726 GMT 28 Jul 86

[Address to the nation by President Alan Garcia Perez on the occasion of Independence Day and the first anniversary of his inauguration, before a joint session of Congress in Lima -- live]

[Excerpts] Mr President of Congress, Messrs Legislators: A year ago I outlined for you the policies of the new government, which we presented as a nationalist, democratic, and popular government. Today, 12 months later, in compliance with the Constitution, I am reporting to Congress to describe what has been achieved, the objectives that were fulfilled, and what the government plans to do in the future. I am addressing the representatives of the people with truth, which is the soundest reason, without arrogance, and with a humble attitude.

I will begin by saying that even though we have done something, there is still a lot to be done, that a lot more could have been done, and that if the government had taken stronger action and if it had demanded stronger support from the nation and its institutions, we would have had better results.

Yet we should admit that the task of reactivating the economy and reorienting our history is a gradual process that will be marked by setbacks and successes, which should neither exhaust our patience nor disappoint our spirit.

Therefore, today I am reporting to Congress to confirm the objectives of the government, which we will maintain despite the great economic and structural limitations that affect us, and despite the regressive influence of force and violence.

We intended and we still intend to overcome the crisis and improve the standard of living of our people, who have been hit by inflation, devaluation, and economic stagnation. We intended and we still intend to strengthen our independence by strengthening our historic, economic, and political autonomy. We intended and we still intend to improve the administration of justice by improving the distribution of wealth and by giving the people more decisionmaking power. We intended and we still intend to strengthen freedom, which is not a bourgeois delusion but an achievement for the spirit. We intended and we still intend to improve the moral standards of society by eradicating the idea that the state is something by which to profit and that social life is a way to promote selfishness.

We have achieved something in all these fields over the past 12 months, although not everything we wanted or everything we could have achieved, because we made several mistakes and omitted several things. Therefore, despite the progress we made and despite the people's generous support, we do not have an overly triumphant attitude.

No one can be overly optimistic at the end of the 1st year of a 5-year term, unless he is arrogant. Yet no one can be overly pessimistic unless he is mean. The real assessment will be made later. Today we must reflect carefully.

Mr President: I would like to divide this message into four parts. First, I would like to report on the achievements in the work for the great national objectives. Second, I would like to explain to the country the scope of the situation we are experiencing. Third, I would like to reflect on the possibilities that we have for the future and, fourth, give a detailed explanation of the work done by each sector and of what we suggest for the immediate future.

I am using this approach because I believe that the annual address by the president, in his capacity as the representative of the people, should help the nation reflect and should strengthen the people's will, so that we might all unite behind the same objectives. I believe that politics involves the art of teaching, because it must awaken the people's awareness. Nothing can persist without the people's awareness, because everything would be temporary. With the people's awareness, even the most difficult problems can be understood as phases leading to a better future.

Therefore, this address will not be a set of promises and hopes as it was 12 months ago, but rather a long reflection I would like all of you to share with me. I know many Peruvians like me, but now I need their reasoning.

This was a difficult year. Its restrictions and problems were overshadowed by the expectations, by the people's generosity, and by the fact that there was a new government putting forward its proposals. Yet, Mr President, this was a very difficult year, just as the years to come will be.

The almost complete restriction on foreign credit, the bureaucratization and sluggishness of the state organization, the passiveness of great sectors of the population, the high inflation rate, the devaluation, and the paralysis of our economy were the negative factors we were facing in addition to violence and lack of authority. During these past 12 months, however, we have made progress in the socioeconomic field, and what is more important, we have awakened the people's awareness. Faced with a chaotic situation in which prices increased at a higher rate than wages, in which lack of production and deterioration of our currency regarding the dollar demanded urgent measures, we had to start by regaining control over our economy and stabilizing the situation before proposing more far-reaching measures. However, to gain control over our economy in the first place, we needed to disengage from the vicious circle in which foreign theories and influences conditioned Peru's economic sovereignty. We needed to strengthen our anti-imperialist stance. We were aware that inflation could not be curbed and the country reactivated without changing Peru's relationship with the international economic circles because the economic chaos in which we lived a year ago was caused by the fact that our country was a satellite of international interests. Therefore, we decided to implement a nationalist government to confront this problem and to be able to implement a different economic policy that was not dictated to us from abroad. For this reason, the government adopted a radical decision regarding the foreign debt problem and restricted the import of foreign goods as a means to defend the national industry. A year ago, speaking before this Congress, and later before the Argentine and Uruguayan Congresses and other international organizations, I explained why the Peruvian Government had decided to restrict payment of its foreign debt. I said that the low prices paid for our raw materials, the incredible prices the rich countries charge us for machinery and technology, and the profiteering interest rates they demand were the cause of our $12-billion public debt. I said that to accept that would compel us to pay more than $5 billion in 1986, when our export revenues only amounted to $3 billion. Moreover, I recalled that during the past few years we were granted new loans to meet our former debts but to grant Peru these new loans Peru was forced to comply with a series of conditions and an economic theory that impoverished our country even more. This theory imposed by the IMF as a condition for granting us further loans, forced the opening of our economy to foreign goods, prompted the devaluation of our currency, and made internal credit interest rates rise. It reduced public expenditures, and demanded the punctual payment of the foreign debt. In other words, the IMF theory demanded reducing growth and consumption to meet commitments to the international banking sector. We also noted that in the past 10 years, this biased policy had destroyed the economy of many Latin American countries.

In view of this situation, the government made a historic decision that has been recognized by several countries of the world. The foreign debt cannot be honored by sacrificing the people. New loans cannot be requested to cover former debts. One cannot surrender economic sovereignty and allow others to decide what to do with our economy. If each time we are paid less for our oil, our copper, our work, how do they expect us to obsequiously pay our debt under the terms they demand?

Peru has set a rule: We are paid so much for our work, we are paid so much for our exports, therefore, we will pay so much of our debt, but without sacrificing our development and consumption. [applause]

We audaciously set a limit of 10 percent of export revenues on our payments. In this way an important portion of the budget that would have been destined for debt payment is now being used to support agriculture, to improve salaries, to undertake projects. Thus, Peru, which was obligated to pay $2.2 billion for its medium- and long-term public debt over the August 1985-July 1986 period, limited that payment to $350 million, which was broken down in the following way: $28 million was paid to commercial banks; $34 million to governments, $69 million, to the IMF; $166 million to the World Bank and the IDB; and $19 million for food and credits. This decision allowed us to increase by $370 million our foreign reserves, and thus to consolidate the stability of our currency, which was spared the severe devaluations that occurred in other countries this year. In view of the speculative rumors and maneuvers that are rampant these days, I must note here that the government will maintain the official exchange rate during the current year, as it promised it would in January. There will be no devaluations, but, on the contrary, considering the situation of 63,000 holders of small savings accounts of less than $1,000, the government has decided to unfreeze their deposits, making available to them their savings in foreign currency. The government did so in recognition of their confidence. [applause]

On this question of the foreign debt, to limit the amount of payment is not the most important aspect, which is that such a limitation made it possible to obviate the need to ask the IMF for new loans. Consequently, we did not have to sign agreements or letters of intent with the IMF, which amount to documents of colonial concessions, which would have surrendered to that organization the administration of our economy. This made it possible to implement an independent and nationalistic economic policy, and this is the most important aspect of the Peruvian decision. We thus implemented a policy of nondevaluation, reduction of inflation, lowering interest on credits, limitation of imports, and stimulation of the state's social expenditures. This policy would not have been possible if we had not made the political decision to limit foreign payments and to discard the liberal and imperialistic economic theory of the IMF.

As a result of that decision we can exhibit the following achievement: on 28 July 1985, the annual price increase or inflation rate was 250 percent, and it was reduced to less than 70 percent over the first 12 months of this government, thanks to the decision to suspend the devaluation of our currency for 18 months. We all know that when the price of the dollar rises, we have to pay more for the products we buy abroad in dollars. We also remember that in recent years, it was more convenient to save in dollars or to hold dollars, because the decline of the value of the Peruvian sol against the dollar was very steep. Every day, the Peruvian currency was losing ground before the U.S. dollar. Rents were paid in dollars, economic transactions and accounts were stipulated in dollars.

In July 1985 only 38 percent of all the economic activities were conducted in Peruvian currency. Twelve months after we initiated the dedollarization of the economy, 81 percent, not 38 percent, of the economic activities are conducted in national currency. [applause]

This, gentlemen, is a key question: What kind of independence can a country have irrespective of its history, its anthem, and its flag, if its entire economy and its social life is controlled by a foreign currency, as is the case with the U.S. dollar? Thus, taking the economy off the dollar standard is a clearly anti-imperialist measure.

Inflation, however, has also declined because of the reduction of interest rates which constitute the price of money. In the past, interest rates were as high as 300 percent per year. For agricultural loans the current interest rate was 180 percent; today it is 40 percent. For mountain areas, the interest rate was 106 percent; today it is 14 percent. In the 81 poorest Peruvian provinces the interest rate was 81 percent; now it is zero. This means that in those provinces we do not charge the peasants any interest rate so as to promote development.

In the third place, inflation has been going down due to the joint national effort to control prices. This effort was made jointly by government, the municipalities, and all social organizations because in this way we could prevent speculation and abuses. Although control has been weakening over these last few months its effects are still being felt because, as we said before, our inflation rate is only a third of what it used to be.

In the case of certain large enterprises, the price control helped us to lower the prices of noodles, flour, and oil -- so necessary for the people at large -- below the level of July 1985 because as soon as we took over the government we managed to obtain price reductions that are still in effect today.

The same thing happened with the bread that costs 250 soles per unit; the same price it cost 12 months ago. I would like to remind the skeptics that in 1980 bread cost 3 soles per unit and in 1985 its price had risen to 250 soles. This means that in 5 years the price of bread increased 80 times. Today, we are supplying the people with bread at the same price at which it was being sold 12 months ago, when we took over. [applause] [passage omitted]

Messrs Legislators:

I have made this review to note that the political decision regarding the payment of the foreign debt has allowed us to enforce an economic policy that better suits the needs of the people and the national development. Therefore, I hereby announce that we shall continue to uphold this decision and that in the next 12 months, we shall only allot 10 percent of our export revenues to the payment of the foreign debt.

The revenue situation of a year ago remains unchanged. In fact, it has deteriorated in view of the decrease in prices for oil and other products. This is why Peru will receive almost $500 million less for its exports.

Peru will have less income. This situation has turned the currency reserve into a strategic national resource. Consequently, we must add that our intention to use 10 percent of our export revenues for the payment of the foreign debt will be made on the condition that those resources used to pay our foreign debt are matched by a similar inflow of credits.

Gentlemen, it would be suicidal to become exporters of net capital if no new credits come in and the prices of our raw materials continue to fall. [applause]

I must acknowledge that friendly countries have been granting us cooperation loans at low interest rates and long terms of payment. Payments to them must be given priority. There are also international organizations whose disbursements or new loans to Peru surpass the payments received from our country. They too will be granted priority.

I hereby announce our decision and willingness to negotiate with creditor governments and banks. However, I warn that Peru can accept neither the present terms nor interest rates that have been established. We shall hold a dialogue but based on conditions regarding interest rates, terms, and years of nonpayment within the framework of our decision to pay 10 percent of our export revenues. [prolonged applause]

Two major decisions should be added to the foreign debt issue. In the first place, the government has decided to limit the payment of the foreign debts contracted by private individuals and enterprises with foreign banks and suppliers, the payment of which has caused millions of dollars to leave the country during the past 12 months, often in an unjustified manner. This situation cannot continue because, as I have already stated, the foreign currencies represent for our country a strategic resource the state must safeguard. The state has decided to limit payment of the private foreign debt. But I must add that, in view of this decision, the government will have to guarantee the resources for investments or projects currently under way, which are necessary for national development. In the second place, the government has decided to restrict for 2 years the remittances of dollars by foreign companies as profits, depreciation, or private debt. [applause]

We welcome and defend foreign investments in our country, but we are also aware that every national or foreign enterprise must share the situation which the country faces because, during the past 12 months, while the government limited the payment of its public debt to $300 million, no less than $1 billion left the country to cover private debts of Peruvian companies and as profits of foreign entgerprises. Therefore, it is only appropriate for the government, in controlling the economy, to limit the flow of money that leaves the country weakening our country's strategic resources, that is, the reserves. These two measures are not taken with a statist and bureaucratic purpose that will cancel or affect private property. These two measures are taken to safeguard the nation's interests in a difficult time. They entail neither expropriation nor confiscation. They are a limitation so that resources generated within the country may be kept in the country and used by their owners in productive investments, which the country requires in these difficult times. [applause]

Messrs Representatives: This first sovereign and nationalistic conception of the government has also allowed us to start the democratization of the society and the state apparatus. We stated 12 months ago that democracy is not only the representative nature of the government or basic liberties as a whole. It is much more. Democracy should be a social and economic model capable of solving social injustice and the differences in regional development, and safeguarding the participation of all citizens. To us the reactivation of our economy and the curbing of inflation represent deeply democratic measures only if they are complemented by a fairer distribution of wealth. The greater the inflation, the greater the concentration of wealth among a few persons.

The liberal theory that was implemented in the past maintained that if the peoples' income is limited there is less demand and, as a consequence, the price of goods will drop because of lack of demand.

We believe that this is an inhuman theory, and we maintain that the greater the purchasing power, the greater the production of the sectors that used to be idle, and as a consequence prices will not increase.

Therefore, our appeal to industrialists has been to tell them that it is not a matter of producing little and charging a high price for each product but rather of producing more products and chargine less for them. However, the government also believes that democracy is a process of a progressive redistribution that should not be hasty or imprudent, thus causing greater economic problems.

Our tax program has substantively reduced sales taxes from 11 to 6 percent and has avoided increasing fuel prices because these two are indirect taxes that tax the rich and the poor equally and, as a consequence, are unjust. In keeping with our principle of making those who have or who earn most pay the most, we have reorganized the tax exemption regulations through which a sizable quantity of resources was lost. Moreover, price controls in many cases prevented speculation or fear from affecting prices. These are measures designed to bring about redistribution, and we will continue to carry them out. [passage omitted] The nationalist and popular government is facing two urgent problems: subversive violence and the limitations stemming from our economic structure. I ask the nation to reflect on these two problems with me.

Twelve months ago, cruel violence ravaged the mountains. Inspired by violent terrorist ideas, armed groups seized and subdued peasant towns, taking advantage of their poverty. This dramatic situation claimed thousands of lives on both sides. Many excesses were committed during the repressive actions, because of the anonymous character of terrorism. We proposed an emergency policy for the poorer areas, the budgetary allocations of which we doubled. For example, in 1985 the Ayacucho Corporation was allocated 143 billion soles. We raised that figure to 362 billion soles, which was a 154-percent increase plus the additional emergency funds it has received.

Microregions were organized in the poorer provinces to allow the state to render its services in the agriculture, housing, and health sectors. Aid programs were designed to help peasant communities. The state established direct links to the towns that have remained historically neglected and that could become the easy prey of subversion.

We also said that the law was to be enforced to the fullest, because the state could not allow the presence of armed groups. However, we gave precise instructions to concentrate surveillance and repression in specific actions. In the first month of our administration, with two dramatic events marked by abuses and excesses, we immediately ordered sanctions and an investigation.

After the action of the state in the poorer areas, however, subversion moved to the cities, particularly to Lima, where there were murders and terrorist attacks. In addition, disregarding the nation and its laws, terrorists sought to turn the prisons into battlefields. When mutinies broke out in three prisons, the government decided to take strong action to restore order and authority. Unfortunately, as the country knows and as I personally reported, there were excesses, the worst of which was the murder of more than 100 inmates. This incident, or for that matter any other incident, cannot be concealed in a civilized country. Investigations are under way and will soon be concluded. The responsibility of those who are involved will be established and they will be duly punished.

These terrible facts should make us reflect on the situation of violence in which we are living.

Violence is no longer the exclusive tool of subversive totalitarianism because at times it is also used by state organizations that fight subversion. I believe that the entire nation should reflect on this and ask why we have reached a point at which our daily awareness of death is becoming more intense as we witness subversive action, excesses, crimes and a violent ideology that fills our minds. This ideology reaches us through press reports and even appears on entertainment programs, which negatively train our children to become witnesses to or authors of death in the future.

This is why our democracy is precarious and weak when faced with the dangers of the brutal regressive situations we experienced, in which we forgot that hatred is not to be met with hatred but with the firmness and fairness of the law.

Thus, subversive violence is the main obstacle for our democracy. However, the spreading of violence to those who combat subversion is also an obstacle. This imposes on us the task of re-education, in which barbaric actions like the ones we have experienced are duly punished.

I am encouraging and asking the Congress to conduct the necessary investigations on this and other actions to prevent repetitions in the future.

I am repeating, however, that those investigations of excesses will rever justify criminal subversive violence or its contempt for human lives and the law.

The state will firmly and energetically continue combatting subversion to guarantee the nation's security and, if necessary, it will defend democracy with arms.

Here I want to express my greetings and full support to the Armed Forces, who are acting in loyal respect and subordination to the constitutional government; and to the police institutions, whose self-sacrificing task cannot and must not be confused or harmed by individual or group excesses or atrocities. [applause]

Aside from violence, the democratic and popular program faces yet a more serious obstacle, which is the main issue of this address.

I am asking the nation to join me and to reflect on the nation's future. I have not come here just to give a detailed account of government's accomplishments but to warn you about our economic structure and its possibilities, and to tell you what we can do.

Our economic structure itself is and has been the greatest obstacle to the efforts made over the past months. That structure cannot be changed by a decree. It is an economy in which industry is essentially based in Lima and controlled from abroad. It is an economy that produces raw materials with increasigly depressed international prices. It is an economy whose agriculture, which has been led into misery, will be reconstructed very slowly. It is an economy involving acute injustice among human groups and regions.

Thus, everything that will be or has been done with goodwill concerning economic policy will have great limitations unless that structure is decisively changed under the aegis of a revolutionary state.

For instance, we all know that our national industry is concentrated in Lima and that its technology and equipment provide few jobs to the people.

The most serious problem, however, is that the centralist industry is basically oriented toward assembling foreign parts and unfinished products. This means that most goods produced in the country are being manufactured by assembling parts purchased abroad. Thus, as we have more industrial production under the current conditions, we will also have more demand for foreign parts and more dollars will be required for the economy to work.

As I have already explained, over the past 12 months, the reduction of interest rates, currency stability, price control, and wage increases have increased demand and consumption and stimulated economic reactivation.

This means that in the medium term our purchases from abroad will have to be increased to enable the industry to grow, and we will need many more dollars for this.

We all know that Peru is not receiving foreign credits because of its nationalistic position. We all know that we are being paid less and less for copper, silver, and oil.

The economic reactivation of the industrial sector can cause strangulation due to the lack of dollars. This causes us to lose ground in the crisis and limits increases of consumption and production, which we have promoted through an emergency policy over the past 12 months. This policy has achieved good results but has limits in the nation's economic structure. This truth must be realized and understood by the nation, because we now have to make a historical and qualitative jump toward a better-planned and more rational management of our economy if we are to continue to grow.

We must ask ourselves which roads we can take to deal with this problem. The first possibility is to pay the accumulated foreign debt so we can request new loans. This, however, is the liberal model that makes development dependent on external credits, and it has been quite negative for the country.

If we choose the road of paying so that we can ask for more credits, we would have to pay out larger quantities than those that will flow into the country as new credits. More importantly if we followed that road we would have to bow to the IMF and accept its theory, thus submitting Peru once again to the economic policy of devaluation, inflation, reduction of state expenditures, and opening our markets to foreign goods. This means we would have to retreat from the position we have gained this year. The second possibility, which is proposed by some sectors, is to have the government take control of the economic activities and entrepreneurial groups. The consequence would be to generate mistrust and fear among the middle class and the economic agents. It would also bring about the unavoidable bureaucratization of our social life. This bureaucratic and statist model would, as it does in other places, promote the flight of economic and human resources, as well as promote intolerance and passivism in our social life. The entire country can attest that bureaucracy is not the best way to manage social resources. The country knows that socialism today is not synonymous with statism and bureaucratization.

We propose a different alternative that is neither liberal nor statist. For the first time, we are proposing the need to guide the actions of the economic agents, both in the private and the state sectors, toward the attainment of national objectives, by defining the course and noting the limitations of a national project.

This imposes the obligation of interpreting the nationalist role of the state in depth.

Here, nationalism means that the state must have preeminence in conducting the nation, because the state is the synthesis of the national will, because the people elect their government to provide guidance and orientation and not to be a passive witness to disorder and selfishness. Today it is fundamental and necessary to break away from the satellitization of our economy, a satellitization that takes place not only in the area of the foreign debt, but also in the dependency of our industrial structure. The change must be carried out gradually through productively investing a greater portion of our economic surplus in the country. We must point out national objectives for the large economic groups that have taken hold in our economy, so that they will cease to be centers of accumulation of wealth and power or accomplices in our dependency, and become centers of support and impetus for national development.

We need an economy that can resist the inroads of imperialism in the near future. We need an economy of national defense against the crisis, concentrating the efforts and resources of Peru on a single objective. We need the state to measure initiatives and efforts, without lapsing into bureaucratization. This is the model of the state we do not yet have. In its absence, great entrepreneurial conglomerates have been formed, without goals relevant to the interests of the people.

In the previous government, which regulated credits, we had banks that attracted public savings to assist the groups that own the banks. In a state with a directed economy, industry grew in disorder, in many cases importing machinery which the country no longer needed. In the first year of our government, we have tried to stabilize the economic situation and, by recovering control over it, lowering inflation, and improving salaries, we have managed to reactivate the country's economy.

This has been an achievement, but it poses two risks, two limitations. First, as I have already said, the economy will be needing more and more dollars that we do not have. Second, as the economy is reactivated and consumption grows, business and industrial sectors, both large and medium-sized enterprises, now have a larger amount of profits in soles. These profits grow in keeping with the productivity of the enterprises. These profits constitute a threat unless they are invested productively in areas that receive state support and are necessary for development.

If these profits are not invested properly they might be used to purchase dollars on the black market, thus driving up the value of the U.S. dollar suddenly and fueling once again the inflation that will make us lose ground.

These are the potential threats the whole country must be aware of. They make it necessary to implement an economic policy that will not allow us to lose ground or plunge us into a quagmire of economic bureaucracy. Rather, it should control, channel, and enforce the productive investment of these resources.

We do not want speculation or idle wealth. We want work, initiative, and fresh capital that can be used for national independence. If we fail to do so, whatever has been achieved in these 12 months is just a cure for symptoms and a cosmetic solution, because devaluation, inflation, and unemployment are merely the outward signs of a poor economic framework. They are analogous to the fever and the headache of a seriously ill person.

Curing symptoms makes one feel better, but the proper course is to deal with the root of the problem. My government could take the easy path, doing over the next 3 or 4 years what it has been doing these last 12 months, trying to get to the end of the 5-year term with higher incomes and more production.

However, if we fail to deal with the true problem in a historical manner, we will deceive the country and leave it on the brink of a much more critical situation. It will have more production and more consumption but no dollars or funds to maintain this situation for much longer.

The people have not elected us to deceive them but to address the historical and structural problems that affect their fate. The economy we propose is aimed at defending the nation within the framework of democracy while strengthening democracy. This economy is based on certain basic guidelines I will now outline.

An economy of national resistance against imperialism can only be possible if the nation is aware that it is necessary. First, the use and flight of foreign currency must be restricted, and this currency must be used very carefully.

At the beginning of my speech I said that in this regard we will maintain our decision to use only 10 percent of our export revenues to pay the public foreign debt, and we will do so only as long as our reserves are not jeopardized.

Furthermore, the state will have to restrict the remittances of currency as private foreign debt payments, profits, depreciation, trademark payments, and royalties to both national and foreign companies.

Thus, we will defend our reserves and stimulate domestic investments of these resources by temporarily restricting their flight and using them to fuel the process of national economic reconstruction.

Peru has defended its reserves during the 1st year of my term in office by cutting down weapons expenditures, whose size was out of proportion to the nation's poverty. With France we have signed an agreement that I announced 12 months ago. By this agreement, instead of the 26 highly sophisticated Mirage plans that Peru was going to by, it will now purchase only 12, thus saving $530 million, that is, 7.5 trillion soles, which it would have had to pay over the coming years. [applause]

I want to state to the entire country that this has been possible thanks to the help, understanding, and decisiveness of our Air Force which, understanding the reasons for the government' actions has granted its generous cooperation in this regard, thus contributing to the national development. [applause]

Likewise, the government has decided to reduce, during the current year, the expenditures of rebuilding the cruiser vessel our Navy acquired from the Netherlands. The reconstruction of this vessel would entail an investment of more than $200 million with its respective interest rates, that is, more than $3 billion Peruvian soles. For this reason we have decided to reduce this expenditure by deciding that another cruiser of the Peruvian Navy be made flagship and christened, appropriately, Admiral Grau. [applause]

In referring to this subject, which is a tricky one for those governments that conceal it or do not know how to tackle it, I want to clearly state that before spending money for new equipment, we must work hard to make fully operational the equipment we already have. Moreover, we must make the people aware that in view of these decisions, national defense is not the exclusive duty of the Armed Forces. It is a compulsory commitment for all Peruvian citizens. Nobody can be a passive and dutiful spectator of national defense, believing that it is only the duty of those who wear the sacred uniform of the fatherland. Therefore I hereby announce that, within the democratization program of our fatherland, the government will shortly propose a law for active participation in the national defense.

The purpose of this bill is to eliminate exonerations, exemptions, and privileges so that all the citizens of Peru, regardless of their economic situation, of the job they have or the position they occupy in a family, will be subject to selection for compulsory military service. [applause]

But the safeguarding of the reserves and resources that originate in Peru must be accompanied by the rechannelling of investments toward decentralized productive sectors that offer job opportunities and consume fewer dollars. Moveover, our industries must start to focus on national objectives working to produce goods and not just tc assemble them, that is, they must reduce their imports. In view of the current situation, this is not just a theory, this is an urgent need, which must be fulfilled through a joint action of the state and the enterprises. It is up to the industries and enterprises to come up with the initiative and imagination to meet the current challenge.

But our economy, which for many years operated with no regulations, has ended up forming great economic groups whose concentration power is dangerous if it does not have a social or national purpose. As I have just explained, the result of the reactivation is the growth of profits, which may have harmful effects if they are not used in a productive manner. We cannot declare the owners of the great economic groups guilty of this situation because the natural logic of capitalism calls for profit and expansion.

Our economy lacks government guidance to make growth serve national purposes. This is why we do not believe that ordering the nationalization of the economic groups is a solution. What they need is government regulation, a democratic regulation of costs and prices. If this regulation is not practiced, our national economy may become subjected to monopolies and to speculation by financial groups.

Our nationalist government cannot and will not allow monopolies, because they are specifically forbidden by our Constitution. Our nationalistic government must correct that situation wherever it occurs. [passage omitted]

We have said that a national economy requires a maximum of foreign currency savings and the investment of profits in productive projects. These measures, however, must be backed by the careful use of credits. We must solve many defects within the credit sector. The state and private banks share these defects. Credits in Peru are mainly concentrated in the hands of the same large economic groups and monopolies. Credits are concentrated mainly among the large companies, which set prices, that is, companies that can easily transfer the cost of interests to the prices of their finished products. Besides, the remaining private sector credits are sometimes siphoned off by the large economic groups which use these pubic resources for their own activities.

Nationalization is not a solution in this case, as some people suggest, because the bureaucratization of the state banks does not guarantee the efficient use of credits. We need what we do not have in Peru: a government that rules, directs, and guides, because that is what it has been elected by the people to do.

We need a clear, legal and administrative regulation to forbid the state or private banks from concentrating their loans on a small number of groups or companies. We need a regulation to democratize credits and to grant loans to agriculture and handicrafts. We must prevent credits and loans from simply being used as a powerful tool by the large economic groups.

To this end, the government today issued six supreme decrees, regulating credit concentration and fund allocations to groups related to each other or to financial entities, and forcing the decentralization of selective credits. These decrees involve the state's using domestic savings and granting the bank superintendency and the Central Reserve Bank the necessary powers to regulate and channel credits to avoid abuses, monopolies, and concentrations and to take advantage of the initiatives of all the institutions related to the state.

Foreign currency savings, the orientation and direction of economic groups and industry toward social goals, and the reorientation of state-run financial activities will remain just a theory if the Peruvian state continues as it is today, that is, slow, bureaucratic, centralist, Lima-centered. An economy of national resistance and growth requires a bold and revolutionary transformation of the state itself.

The national administrative apparatus itself is one of the greatest obstacles facing the government and history. Orders and regulations proceed with exasperating slowness. Change is not taking place among those who see administration just as a means of making a living with no social meaning. The centralist passiveness stalls the best efforts and causes decisions to be made with no consideration for the opinion of those who are directly involved.

The solution does not lie in coercion or in threatening the bureaucracy. The solution will only be achieved by delegating responsibilities which thus far have been concentrated in Lima. Therefore, I am announcing to the country the government's decision to immediately initiate a regionalization process by which territorial limits or regions, comprising one or more departments, administer, govern, and take the helm of their own destinies.

To begin this historic process, I will propose to Congress a bill on the creation of the Altiplano region in Puno, a department which, owing to its characteristics, has only one real situation. I will propose a bill on the creation of the region made up of Tumbes and Piura Departments, which have been called the Grau region, and I will propose a bill on the creation of the Amazon region.

These first three regions [applause, shouts] will be the vanguard of a process that for the first time will place in the hands of the people the full administration and determination of their destinies.

I am asking Congress to give priority to the regionalization bill that is currently being discussed so that after it is approved we may breathe life into the regions I have just proposed.

Contrary to a statist and bureaucratic system, regionalization means a democratic revolution, whose implementation I am passing on to the people as the greatest responsibility of their history. [passage omitted]

To prepare this new and democratic system of public administration, which is not only supported by the Constitution but by my absolute confidence in the people's maturity, I am also announcing the full economic and administrative independence of the state-owned corporations so they can decide what investments to make and how to spend their funds.

Nowadays, every state-owned corporation is experiencing a pinch. This is just a result of the centralist power which, as president of the Republic, I am repudiating.

As things are now, the corporation's meeting raises a proposal. This proposal then must be submitted to the Planning Institute.

Next, it must be submitted to the presidential and economy ministries. Finally, it must be submitted for discussion by the Bicameral Budgetary Commission. At each stop, it undergoes changes, delays, and the distortion of its original purpose.

To overcome this insanity, I am announcing that in the yearly budget bill we will propose a resolution to fully implement the administrative independence of the state-owned corporations as the initial step for the thorough decentralization of the regions. In addition, we will maintain our goal decentralizing economic activities and relocating some state-owned enterprises like the State Petroleum Agency [Petroperu], the national Coca Producing Enterprise, and Pescaperu [State Fishmeal and Fish Oil Production Agency] to areas and departments more closely linked to their activities.

With the same goal, I am introducing a bill expanding the collection of port fees, which formerly were charged only at El Callao port. If the bill is approved by Congress, port fees will be charged at all Peruvian ports. Thus, Chimbote, Paita, Matarani, (Hilo), and other ports will have additional economic resources for their development. [applause]

Finally I am announcing that when regionalization and economic decentralization are fully under way, we will restrict and in some instances ban the installation of new industries in Lima. Because of their size these industries can contribute to the decentralization process if they are installed in other regions. [applause]

Messrs congressmen, these are the goals I am reasserting in your presence; this is what we have accomplished; and these are the historic limitations we are facing, along with proposals for an anti-imperialist but democratic national economy, in which we call for the productive investment of the largest possible amount of funds so that we do not return to speculative activities, which are contrary to the nation's interests. In the economy we are proposing the state will be the best guarantee for a productive, democratic, and decentralized operation of the national wealth.

I want to tell you that these goals and these bills will meet many difficulties and obstacles, but we will implement them with the greatest and most absolute liberty. We will show the world that we do not need to resort to totalitarianism or to shameful excesses to change our country. A revolution can be carried out through persuasion. A revolution can be carried out with total, unrestricted freedom of the press. A revolution should not be something that generates fear, revenge, or hatred. It should be prudent, constructive, and great. A revolution can be carried out by making good use of private initiative.

Contrary to some people's beliefs, one does not need to be a communist to believe in change. We respect the communists and their ideas but our path is different. It is the path of nationalism and democracy. It is different. It is the path of nationalism and democracy. It is the bread-and-freedom path of Haya de la Torre. [applause]

Before finishing this exposition about the concrete works of each sector,. let me add something. I must request the people's help for our great objectives. I will not ask them to go to the streets. I will not ask for government-supporting crowds. Instead I will ask each individual to rule his own destiny in his own field, to help me rule Peru. If that individual knows much, he must teach; if he knows little, he must learn. [applause]

If he is a businessman, he must invest in Peru what he is earning. If he is a professional, he must return to society what it gave him in the university. If he is a craftsman, he must improve his work. If he is a peasant, he must plow 110 furrows instead of 100. If he is a worker, he must remember that the object he is manufacturing is necessary for another worker, and it must be well made. If he is a teacher, he must teach optimism. If he lost his way he must recover it. If he is an artist, he must dedicate to himself to his art. If he is a politician he must not hate, he must be understanding and patient. Only thus will a torch light the end of the road bringing us faith and strengthening us to build our nationalist and popular model. [applause] [passage omitted]

Regarding the Indian communities, we have appropriated two funds amounting to 340 billion soles to them as a concrete redistribution over the past 12 months. The first fund is for direct nonreimbursable assistance, that is, assistance granted free of charge by the state for agricultural and health projects that each community democratically decides to undertake. More than 100 billion soles has already been delivered to more than 1,600 peasant communities. The other 300 billion soles was for rural community development at an interest rate of 2 percent to be repaid in 20 years With this stimulus to the peasant communities and to the profitability of agriculture in general, and with the elimination of interest on credits for peasants in the poorest provinces, we believe that the historical difference between the city and the countryside will begin to be reversed. By giving more resources to those who have less and, as we have said, by gradually changing the structures of the unjust social tyranny, this reversal will ultimately be accomplished.

Agrarian reform has been carried out without carefully considering the relationships between the city and the countryside. Agrarian reform was confused with the concession of land deeds. In some cases, agrarian reform endorsed injustice. For instance, in Puno, where hundreds of peasant communities existed, the latifundia emerged centuries ago to conquer and to wrest the land from the peasants. Following this the agrarian reform created associative enterprises on the foundation laid by the latifundia that pushed the peasant communities onto small parcels of land, from which they looked, as from a balcony, upon what used to be their property.

Thus poorly implemented, agrarian reform served only to seal the historic despoliation of our peasants.

Therefore, we no longer speak of agrarian reform. We proposed an agrarian revolution in Puno through Decree 006, which restructures agriculture throughout the department, so that large portions of land that are now idle can be distributed and returned to the true heroes of the Andean saga. In this way, the communities have been historically vindicated. At the same time, we have promoted the development of production, which is now small or nonexistent because of the poor organization of the enterprises and the large size of the properties.

We have already expropriated 744,000 hectares of land and will continue to expropriate up to 1 million hectares. This land belonged to 43 agricultural enterprises of social interest. In a few more days, we will begin to distribute this land to more than 400 peasant communities, thus confirming their right to the land that was taken from them during the conquest. [applause] [passage omitted] In addition, because of reduced bank interest rates, formerly bankrupt enterprises have been able to resume their payments to the Industrial Bank and to other financial institutions, which are becoming increasingly overextended in their loans.

At the Industry Ministry, which has been the most bureaucratic sector, efforts have been made to simplify paperwork, and 1,170 enterprises were created in the past 12 months.

As a result of these measures, in the first half of 1986 the manufacturing industry has grown by more than 14 percent compared to the first half of 1985. Yet, even if we consider that the price of fishmeal and oil has dropped by one-third, industry has grown by 7 percent and the employment rate derived from it has increased by almost 5 percent.

However, we still have idle capacity. We still have unused industrial facilities, so we can continue growing. As I have already announced, however, we must urgently begin to change the centralized industrial system based on assembly plants. This is a challenge for the so-called industrialists and businessmen. An industrailist is not a speculator. An industrialist is not someone who seeks complete security. An industrialist is someone who takes risks for himself and for Peru.

In the future, therefore, our industry should not use many dollars and the factories should make better use of the nation's manpower and work more closely with the country's agriculture and mining.

With this pressing goal in mind, the state will begin active negotiations, to which I invite all Peruvian industrialists, to achieve a productive domestic reinvestment of the funds generated by reactivation over the past 12 months.

A concrete example of technological change that interests the entire country involves the conversion of oil-fired boilers into coal-fired or solid-fuel-fired boilers. At the present time Peru is squandering hundreds of millions of dollars worth of oil, which could be exported.

We have important anthracite deposits, which have excellent energetic yield and a lower pollution rate. Through credits and tax incentives, the state can stimulate this conversion, which demonstrates how private industries can indeed contribute to sound planning of the economy. At the same time, however, the nation, the people, and the government have a right to demand honest dealings by the businessmen. A large number of products are still being sold without invoices or on the black market to avoid taxes. A significant number of import and export deals are being made with forged prices so that businessmen can deposit funds abroad. This is not a patriotic way of working.

I am announcing that the state will establish a firm alliance with productive capital, but the state will severely punish these crimes. In this regard, we have submitted a bill establishing prison terms for those who sell goods without invoices or who forge prices of imports or exports, thus deceiving the country. [applause] In the fishing sector, the situation turned dramatic when fishing agreements with the Soviet Union were cancelled because of charges made, paradoxically, by the same politicians who made the agreements or maintained them in recent years. Twelve months later, however, we are able to demonstrate that in the first half of 1986 fishing activities have increased by 44 percent compared to the first half of 1985, as a result of an effort to increase consumption by Peruvians, especially by the low-income groups.

From January to May 1986 fishing catches totaled 102,000 tons -- 22 percent more than the 83,000 tons caught last year. Frozen fish production has increased from 7,600 to 12,100 tons in the first half of 1986, that is by 60 percent. Canned fish production has increased from 525,000 units in the first half of 1985 to 787,000 units in the first half of 1986, that is, by 50 percent. The important factor, however, is those who benefit from this growth in canning activities. The government and private industry have begun to produce a line of low-price canned fish products. On 28 July 1985 a 148-gram can cost 6,000 soles. A 400-gram can now costs 5,000.

This so-called national line of goods is specifically intended to help the most remote areas of the country and those sectors of the population that do not have the benefit of electricity and refrigeration.

With this purpose in mind we have reopened and put into operation the Ilo Canning Factory, which employs 450 people, the COPEC [not further identified] plant in Chimbote, and the plant in La Puntilla. At this point almost 2 million cans of this popular product is being sold in the country every month.

But the most important project in the field of fishing is the rebuilding and refurbishing of fishing ships and trawlers that had been completely abandoned. We have put an end to the spendthrift policy of buying when we can rebuild and improve.

We found many destroyed ships as well as ships that had been impounded by state banks because they had been purchased by private companies with Peruvian money and had been abandoned for 4 or 5 years, falling part or getting looted. Two large ships with storage and cooling facilities have been rebuilt by the Peruvian Enterprise for Fishing Services. Yesterday, I attended the dedication of the first of these ships, which can store and refrigerate up to 800 tons of fish. [passage omitted]

As to communications, 150,000 new telephone lines will be installed and the 9 new centrals have already been built for the 65,000 new telephone lines in Lima. Furthermore, taking into account the cost of each individual telephone line, the government has installed 30 communal public telephone centrals where people of low-income neighborhoods can receive telephone messages and make long-distance telephone calls.

Meanwhile, the National Telecommunications Enterprise [ENTEL] is continuing to dedicate new direct-dialing centrals in the provinces. I dedicated the last such central, with 1,500 lines, in Pacasmayo just a few days ago.

In the coming year, ENTEL, taking advantage of its idle capacity, is planning to build 140 more telephone exchanges that would help link provinces and districts with the rest of the country and the world.

Yet another sector important for development is energy and mines, and in this sector oil is the key issue, it is also a controversial issue.

The situation we found 12 months ago was that Petroperu exploited only 36 percent of all the petroleum produced in Peru. Furthermore, Law 22123 issued in 1981 had reduced the taxes paid by oil companies from 68 percent to 41 percent without making them invest in new prospecting projects. Several supreme decrees issued illegally granted tax exemptions to foreign companies.

Firmly but prudently, the government abrogated Law 22123 and raised taxes from 41 percent back to 68 percent. The government also annulled the illegal decrees, and made foreign companies pay taxes from which they had been exempt before. Finally, the government began negotiating with the two foreign companies operating in the country to make them invest fresh money in risk-prospecting contracts as retribution for the profits they made within the framework of Law 22123.

The government signed a contract with only one of the companies that agreed to the new conditions and Petroperu took over the operation of the other company. Under the new contract the foreign company agreed to provide the appropriate guarantees that will invest $277 million over the next 6 years. Furthermore, the rate of 50 percent of the price obtained for a barrel of oil, which the companies formerly received has been reduced to 47 percent.

We must bear in mind that when the contract was signed a barrel of oil cost $24 on the international market. In view of this, the company was to receive $11.50 per barrel of oil it produced, that is 47 percent of the price of the barrel of oil. Over the last few months the world has had to deal with a serious problem. The price of oil dropped from $24 per barrel to less than $10 per barrel. This situation has serious consequences for Peru because it undermines our foreign currency revenues. Thanks to the contract, however, the amount that the company receives has been reduced as well. This is something that certain people have failed to understand.

When the price of oil was $24 per barrel, it was agreed to pay the enterprise $11.50, that is, 47 percent of the international price per barrel, taking into account that the extraction and labor costs per barrel amounted to over $8. However, with the drop of the oil price, the amount paid to the company has dropped in proportion, and it now gets approximately $5 per barrel, or 47 percent of the international price.

As a consequence, the company obtains less than what the barrel costs to produce, and it has no chance of making any profit. In other words, for a barrel of oil that would cost Petroperu more than $8 to produce, Peru pays the Occidental Petroleum Enterprise approximately $5. This same barrel can then be sold for approximately $9 to $10. In keeping with the terms of the contract however, and under the risk of losing all its assets, the company is compelled to continue its exploration program for which it must invest fresh capital.

Moreover, with the creation of Petromar to replace VELCO enterprise, Petroperu, for the first time undertook activities in the continental shelf.

In sum, Petroperu, which in July 1985 exploited only 36 percent of all the oil produced in Peru, now exploits and handles 52 percent of it and has engaged in exploiting activities. Currently, Petroperu has two seismic teams working; it has started work to confirm the existence of oil deposits in Pirim, Puno Department, and in (Lancones), Talara; and it has begun drilling to explore for gas in Aguaitia. Should the existence of gas in Aquaitia be confirmed, we would guarantee, in the medium term, the supply of electricity to the entire department of Ucayali.

In the administrative sector, Petroperu has had too many managers, positions, and bureaucratic privileges. The current administration has reduced the number of managers from 71 to 26, and reduced by more than 1,200 the number of employees, thus cutting down the current budget by $12 billion Peruvian soles. [passage omitted]

In the mining sector, Peru, like other countries, suffers a loss of income because of the decline in international prices. A national solution to this problem cannot be found. In this field, assistance has been directed at the small and medium mining activities, which will receive credit help once their finances are in order. The state mining enterprises have been reoriented to face the present situation, so that their operational costs can be lowered.

In view of the impossibility of investing $300 million in the second stage of Cerro Verde, which is owned by Mineroperu [Peruvian Mining Enterprises], a process of high-technology recovery has been applied: The process of ferro-acid lixiviation has been installed with an investment of $8 million. Also, the production of copper cathodes in the Ilo refinery has been increased by 16 percent, and the production of zinc in Cajamarquilla, by 11 percent. It must be noted that, despite the difficulties in the international market and the problems of producing a sulphur-containing mineral, Hierroperu [Peruvian Iron Mines Enterprise] has boosted its production to 500,000 tons and has expanded its export market. [passage omitted]

I would like to refer now to the justice sector. In the justice sector, a number of important projects have been implemented and a number of important proposals have been made.

Unfortunately, in this sector a dramatic riot occurred, and during its repression unforgivable excesses, which the government is not concealing and will not conceal, and which must be exemplarily punished, occurred. The goals set forth by the justice minister last year still hold.

These goals of the justice sector include expediting lawsuits, lifting punishments, and assisting in the administrative moralization process.

With these goals in mind and with the assistance of more than 100 lawyers from the Justice Ministry, and thanks to the law reducing punishments, which was approved by this Congress, the release of 5,300 inmates has been achieved. A total of 1,022 prisoners were pardoned. Most mothers who had children were set free because a goal we mentioned here 12 months ago was that children were not to suffer imprisonment.

Through a supreme decree, it was established that the members of the Armed Forces or the police, indicted or sentenced for common crimes, be transferred to prisons run by the National Institute of Penitentiaries, thus putting an end to an unacceptable situation of privileges. In March, 249 inmates of the so-called [word indistinct] were moved to regular penitentiaries run by the justice sector.

Construction of the high-security (Canto Grande) Penitentiary, which had been interrupted for a long time, has been completed, and it can now hold 1,150 prisoners. Work to complete the Chiclayo, Huancayo, Arequipa, and Trujillo Penitentiaries continues.

To these actions, we must add the activities conducted by the Justice Ministry for the benefit of the children, owing to the initiative of former Justice Minister Dr Luis Gonzalez Posadas. These include opening new houses for children, struggling against drug abuse, and establishing legal offices in shantytowns.

In addition, legislative discussions have been promoted, and 1,240,000 copies of the Constitution have been freely distributed. The publishing of the popular legal library at special prices has already begun. Two volumes have already been published.

I must especially mention a proposal by the government and approved by the Congress concerning the abrogation of Law No. 23 321, which was known and approved as the contempt law. This law was abrogated because we deemed necessary a broad freedom of the press, and we considered that this law was against freedom of the press, as established in the Constitution, which calls for all the necessary changes, transformations, and efforts, to guarantee the free opinion of all Peruvian citizens. [applause] [passage omitted]

In the security and Interior Ministry field there has been an outstanding effort supported by Congress; the government's effort to help preserve the Republic's safety and order enjoy the full confidence of the nation. With this purpose the law for the reorganization of the police forces was proposed and approved by congress. This law establishes the role played by the political civilian authorities, and sets the grounds for the unification of the police forces under a single command and with an integrated training center. To consolidate this project, I hereby announce to the nation that we will propose a constitutional amendment bill, which I hope Congress will approve through the corresponding procedures with the purpose of uniting the police forces under a single institution. [applause]

In addition to the moralization and re-education problem, the Interior Ministry was confronted with an excessive number of personnel who hindered and bureaucratized the work carried out by the institutions. Therefore, and abiding by the law, almost 1,000 officers of the three institutions, and several hundred low-ranking personnel were dismissed. The government has reiterated that this was the beginning of the police reorganization process, whose results cannot be appreciated immediately but only after a long integrated re-education process. It has stated its unwavering determination to publicly sanction any member of the institutions who may commit a crime or abuse his authority.

Tribute should be paid, however, to the job fulfilled by the policemen who place their lives at stake. In the past few years 500 policemen have been the victims of terrorism and deliquency. Institutions that have specified so much in carrying out poorly rewarded efforts and jobs cannot be stained by incidents perpetrated by individuals or groups. Therefore, we have substantively improved their salaries and are currently reequipping them so that their salaries and are currently reequipping them so that they can struggle against crime. In July 1985 there were only 16 patrol cars in Lima. This year we have acquired 282 new patrol cars and one helicopter and, during the next few months, we will incorporate 385 new vehicles throughout the country.

As a result of the antiterrorist operations more than 200 weapons and 51,000 sticks of dynamite have been seized, 15 terrorist cells have been dismantled; and 736 persons suspected of being engaged in subversive activities have been handed over to the courts.

In the drug-trafficking field, the government has acted with determination to break up important drug rings; destroying 270 cocaine base paste manufacturing plants; arresting 1,200 drug-trafficking suspects, and 1,900 drug consumers. A total of 46 tons of cocaine base paste have been seized.

The ministry has acted with the same determination to combat kidnapping which, due to the novelty it represents, has shaken the country during the past few months spreading fear and uncertainty in the business community. Of a total of 54 kidnap cases 41 have been solved, the perpetrators identified and captured, and a total of 85 delinquents placed at the disposal of the judicial branch.

These, Messrs Representatives, are some of the actions carried out with the purpose of fulfilling the objectives that will allow us to implement the nationalistic and popular democracy we referred to 12 months ago in our first address to the nation. This is the internal effort, but it would be limited if it were not extended to Peru's presence in the international arena.

The government has promoted a nationalistic and anti-imperialistic foreign policy whose guidelines are based on integration and nonalignment. The international policy promotes fair Peruvian participation in the international economic system, allows Peru to take advantage of other countries' cooperation, seeks autonomy for internal development and promotes, together with other nations, a new international economic order.

With these objectives we unfurl the flag against the arms race to put an end to distrust and fear with neighboring countries. We did this by inaugurating a direct dialogue and signing border integration projects like the Duyango-Tumbes agreement with the Republic of Ecuador and the important bilateral talks in which military commanders of the Republic of Chile took part together with high-ranking officers of our Armed Forces.

Likewise, we have given our links with Colombia, Bolivia, and Brazil a renewed impetus within the framework of a new and more dynamic policy with our neighbors.

Upholding these principles, we have come before the United Nations, the FAO, and the beloved sister nations of Argentina and Uruguay, strengthening our bilateral relations with them and always proposing a continental consensus for decision to face imperialism and the pressing foreign-debt problem. Peru has supported the need for Latin American unity in the face of the Central American crisis which, in our opinion, has threatened the right to self-determination because of the growing intervention taking place in that region.

A year ago, from this same forum I proposed the idea of creating a support group for the Contadora Group to seek a negotiated solution to the Central American conflict and to avert foreign intervention in Nicaragua. I said then that Latin American problems must be solved by Latin Americans.

We have actively participated in the efforts and proposals made by the Contadora Support Group. We will always uphold the idea that Latin American countries should solve their own problems without the arbitration, the dictates, or the arrogance of any big country.

We are not in solidarity with foreign ideologies or mistaken domestic policies. We cannot be. We do state, however, that no mistaken domestic policy can justify the intervention in or the invasion of a Latin American country. As a government of the people we are firmly convinced and determined to express our solidarity with and to support that sister country in Central America that might be attacked by a great power. [applause]

We reiterate the need to strengthen the Andean Group and to promote the creation of a Latin American community. We have sponsored and signed the Rodrigo Lara Bonilla agreement to carry out a continental struggle against drug trafficking. We have proposed the restructuring and renewal of the OAS objectives, which must become more free and Latin American.

We have shown our solidarity with the oppressed peoples of the world in keeping with our constitutional principles. We have headed a world movement to abolish the inhuman South African Apartheid regime and to support the independence of Namibia.

Conscious of our points in common with the Third World countries, we have strengthened our participation in the Nonaligned Movement.

In this manner, Peru will continue facing its difficult economic limitations, the dramatic world crisis, and the selfishness of the rich and powerful. However, we will face these situations with a single objective: to start a prudent democratic process that will be firm and revolutionary and to build a society that will enjoy a different quality of life, where misery, injustice, and pain will be banished by the efforts of all Peruvians.

In the last 12 months we have learned much from the limitations of power, from bureaucratic indolence, from the intolerance of those who want everything done immediately, from the selfishness of those who wish a change but one that does not affect their wealth.

In the last 12 months we have not only tried to help save the country from an apparently irreversible situation but we also have managed to attain something very important: We recovered the people's credibility and faith. Those people, who for centuries had very little or nothing at all, know that despite the government's good intentions, things cannot be solved from one day to the next. That is why these people are generous and patient. When I listen to disorderly claims, demands, and shouts, I also listen to the silence of those who are patient and who I know now have new optimism, faith, and trust in the future.

As the head of this nation, I thank the poliitical parties and the different ideologies, some in the opposition, for their contribution to maintaining this democratic test despite difficulties. I thank the social and cultural institutions, particularly the church, which represents a hope we will never lose. I thank all the political parties, but I especially thank my party, which has never before had the responsibility it now has. Despite this and despite our mistakes and learnings, we are demonstrating that where there is a will, something important can be done for Peru.

Once again I thank the Peruvian people, because their faith fuels my enthusiasm, because during the hardest times, the economic crisis, and the pain of sudden death, I just had to walk among the people to feel their cordial presence to again take the helm and firmly maintain our course. I appeal to each citizen for unity and patriotism.

This is the concrete result of a year in power, but we still have something far greater to do: the moral task of faith that will make each one of us grow before adversity to be as great as history demands that we be.

There are some circumstances when the people must be collectively aware of their difficulties and their destiny. In dramatic circumstances such as war, we must understand that we are not likely to get a respite from adversities and difficulties.

Restructuring our economy and society, transforming the state to give it the necessary energy and inspiration, eliminating the passiveness and the selfishness from our nature, are very difficult tasks that demand time, perseverance, and patience. Nothing will be achieved in a short time. Those who expect to feel the satisfaction of immediate accomplishments are mistaken and are bound to be disappointed. We do not want or need this kind of bystander. What we need are Peruvians who are aware of the complexities of Peruvian problems and who are able to understand that every process is bound to go forward and backward.

We must comprehend that as far as Peruvian history is concerned time goes beyond our momentary enthusiasms and disappointments.

For this we must recall the [Inca] empire, the powerful thrust of Pachacutec [Inca emperor in 1417, a main builder of the Inca empire], the pride of having been the capital of the new world, the memory of our heroes of the tragic war, the voices of the masses who have fought for justice.

Taking our strength from all this, driven by our willpower and our awareness, we shall not be stopped by either violence or lack of tolerance, pettiness or hatred, difficulties or selfishness. We will not lose our illusions when faced with obstacles because we know that time is on our side and because we will have the faith of a victorious people.

Once again I want to reaffirm before the nation my commitment and my decision to continue struggling forever in life or in the deep sleep of death, until I do my duty for the poor, the humble, the nation of Peru. [applause]

GOVERNMENT SUSPENDS FREE FOREIGN EXCHANGE

PY291933 Madrid EFE in Spanish 1633 GMT 29 Jul 86

[Excerpt] Lima, 29 Jul (EFE) -- The Peruvian Government today suspended the remittance of foreign exchange abroad for a period of 24 months, according to a decree that has just been published in the official gazette EL PERUANO.

The restriction refers to foreign exchange that is used for purposes of depreciation, the amortization of debts, payment of interest, dividends, profits, royalties, payment for brands, technical assistance, and other similar payments.

The measure includes payments that have been authorized for the oil and mining enterprises that have signed special contracts with the state, with the exception of payments for specially justified services.

The Central Reserve Bank can issue bonds in foreign exchange, against a payment in Peruvian money, which will be redeemable once the 24 months end.

The decree also says that both public and private enterprises without exception must maintain in Peruvian currency all of their resources that are not used for savings.

All those who possessed foreign currency before the approval of this decree must sell it to the Central Reserve Bank within the next 10 days at the financial market price.

The decree also states, among other things, that this measure is being implemented because the Constitution establishes that during a serious crisis or emergency, the state can intervene in the economic sector with temporary measures of an extraordinary nature. [passage omitted]

COSTA RICA

ARIAS CALLS NICARAGUAN ACCUSATIONS 'CYNICAL'

PA300203 San Jose Radio Reloj in Spanish 0100 GMT 30 Jul 86

[Text] President Oscar Arias has called Nicaragua's charges against Costa Rica at the International Court of Justice cynical. Arias said he is concerned about the cynicism of neighbors who have turned to the Hague court because they are the ones responsible for reporting the war and the violence in the (?area). Arias stressed that Costa Rican unity is needed in the face of this kind of situation.

DENGO CRITICIZES NICARAGUAN ICJ LAWSUIT

PA300412 Madrid EFE in Spanish 2337 GMT 29 Jul 86

[Excerpts] Washington, 29 Jul (EFE) -- Costa Rican Vice President Jorge Dengo criticized the Nicaraguan Government today for having used his country before the ICJ for its alleged collaboration in anti-Sandinist activities.

After a long meeting with high-ranking U.S. Government officials at the White House, Dengo told EFE: "We do not know details of the lawsuit," but "it surprises us that Nicaragua believes it has reasons to sue Costa Rica over that situation." After reiterating that his country is "neutral," Dengo pointed out that it is "absolutely false" to say, as Nicaragua does, that Costa Rica is an instrument of the United States. [passage omitted]

Dengo, who in his visit to the United States is accompanied by the Costa Rican ministers of foreign affairs and the presidency, said the members of the Reagan administration with whom he had met did not request from Costa Rica any help for the Nicaraguan contras.

Before refusing to make any comments regarding U.S. financial aid for the rebels, Dengo said the United States "understands Costa Rican neutrality" because aid to the rebels is "a U.S. domestic policy problem." In addition, the Costa Rican vice president expressed his optimism regarding the U.S. reaction to his presentation of the country's economic and commercial problems.

HONDURAS

FOREIGN MINISTER DISCUSSES NICARAGUAN ICJ SUIT

PA291333 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 29 Jul 86

[News conference by Foreign Minister Carlos Lopez Contreras with unidentified foreign and domestic correspondents on 28 July; place not given -- recorded]

[Text] [Lopez Contreras] The Nicaraguan Government has decided to file suit against Honduras in The Hague court, claiming that international law has been violated because Honduran territory has been used by Nicaraguan guerrilla groups that are fighting against the Nicaraguan Government.

We have just received this information and are now studying it. Of course, we will take the necessary steps regarding this case.

[Reporter] [Passage indistinct]

[Lopez Contreras] I have said that apparently the basis for the suit is the alleged use of Honduran territory by the counterrevolutionaries. I have said an alleged use. It is not an official use. I want to make it clear that on previous occasions when we have explained this point, the foreign minister, the government, or the president have never denied the presence of counterrevolutionary armed groups. We have emphatically said, and this is in the records of the OAS and other organizations, that Honduras has not authorized armed groups to enter neighboring countries. If they do enter, they are doing so illegally.

NICARAGUA

ORTEGA SPEAKS BEFORE UN SECURITY COUNCIL

PA291802 Managua Domestic Service in Spanish 1520 GMT 29 Jul 86

[Speech by President Daniel Ortega before the UN Security Council in New York -- live]

[Text] Mr President, your excellencies, representatives to and members of the Security Council:

On 25 March 1982, exactly 4 years, 4 months and 4 days ago, I came to New York to explain to the security council, the highest body in charge of safeguarding international peace and security, the situation that prevailed in Central America then, and the serious repercussions that President Reagan's Nicaraguan policy was having in the area and in the international community in general. We said that we had come to this forum because we shared the concern of the international community; of the U.S. press; of U.S. political, labor, and religious leaders; and of the common citizens of this great nation who oppose having another Vietnam and who want peace. At that time we expressed our willingness to make all the efforts necessary to avert a catastrophe. I believe the developments of these past 4 years have confirmed our concerns about the war of which we are a victim and have proven the sincerity of our commitments and efforts for peace.

I have come here today to address a matter that concerns not only Nicaragua or each of the members of this council, but all the members of the United Nations. I have come to discuss the very survival of the international legal order and international law. The survival of international law is currently at stake, and it is up to the world's nations, particularly the members of this Security Council, to defend and preserve it.

International law guarantees each state's right to self-determination, to freely choose its political, economic, and social system without interference or intervention by any state. International law guarantees each state's sovereignty, territorial integrity, and political independence, and it precludes any foreign interference in these basic rights. International law also precludes the use of armed action by one state against another, with the only exception of the right to self-defense in the face of an armed attack. International law does not make distinctions based on the size or geopolitical location of states, which would undermine it. Without international law, fundamental rights would disappear. There would be no rights. Justice would be nonexistent. Power would supplant law. Bloodshed and suffering would multiply. Small states would be rendered totally defenseless.

The current international legal order is fragile. There is no executive authority or permanent international police force with the power to enforce international law. It is difficult, if not impossible, to coerce a state into compliance with its international legal obligations. If international law is not respected, if we reject laws and the obligations they impose on us, states will be tempted to repeat that bad example, and then international law will be on its way to extinction. Every time a state rejects or shows disregard for international law, a dangerous trend is strengthened in which laws are replaced by power; that is, by the law of the jungle.

When the highest UN legal body, the world's highest court, the International Court of Justice [ICJ] issues a ruling that delineates international law of applies it to a specific case, it should be the responsibility of all those states that want to preserve and maintain international legal order to endorse that ruling. The 16 ICJ justices represent a broad spectrum of the world's legal systems and constitute a body of eminent and prestigious scholars and legal experts. They are highly moral and objective men. Their decisions are not only legally binding for the parties that come before them, but constitute a statement on and interpretation of the law that should be respected by all nations.

The ICJ has made public its decision on the Nicaraguan case. After 16 years....[Ortega corrects himself] After 26 months of deliberations, the ICJ has issued a ruling in the case of Nicaragua versus the United States. After 26 months of deliberations, the examination of evidence, and careful discussions, the court issued its pronouncement on the case. Its decision has already become part of international law.

After its main examination, the court decided that the United States, by training, arming, equipping, financing, and supplying the counterrevolutionary forces, or by encouraging, supporting, and aiding military activities against Nicaragua, acted against the Republic of Nicaragua in clear violation of its obligations toward the common law of not intervening in the affairs of other states.

The court also decreed that the United States, upon carrying out certain naval and aerial attacks against Nicaraguan territory with U.S. troops and intelligence personnel, acted against the Republic of Nicaragua in violation of its duties toward the common laws of not using force against another state. The court also decreed that upon placing mines in Nicaragua's international and territorial waters, the United States acted against the republic of Nicaragua in intervening in its internal affairs, violating its sovereignty, or interrupting its peaceful maritime trade.

The court decided that there is no legal justification for any [words indistinct], and it expressly rejected the U.S. justification of collective self-defense regarding military and paramilitary activities against Nicaragua. As a result of these decisions, the court has ordered the United States to immediately cease and desist from all of these illegal activities and to compensate Nicaragua for the damages it has suffered.

It is important to stress that on each of these issues, the court's vote was almost unanimous. On certain issues the vote was 14 to 1, the negative vote coming from the U.S. judge. On other issues the vote was 12 to 3, but even in this case only the U.S. judge supported the U.S. position. The British and Japanese judges refused to join the majority because they felt that the court did not have jurisdiction, not because they agreed with the United States.

The court's opinion is a model of legal wisdom, of judicial leniency, and of objectivity. The court carefully considered each of the U.S. Government's arguments to justify before the world, and especially to worldwide public opinion, its policy of intervention and force against Nicaragua. After an in-depth and careful examination, the court rejected all of the U.S. arguments. The principal U.S. argument was that its actions against Nicaragua were in collective self-defense because Nicaragua is allegedly committed to and sends arms to the Salvadoran revolutionaries. Nicaragua is thus committed to an armed attack against El Salvador. The court found this argument unfounded.

First, the court decided that [words indistinct] and the public in general were insufficient to satisfy the court that the Nicaraguan Government was responsible for sending arms to the Salvadoran revolutionaries. Therefore, the court rejected the very basis of the U.S. charges against Nicaragua; it also rejected the U.S. argument that Nicaragua has failed to fulfill the commitments it has made to the OAS regarding its internal political system, and that instead of fulfilling this alleged commitment, it has established a dictatorship that does not respect human rights. First, the court found that Nicaragua had never made any binding commitment to the OAS regarding its internal political system. Likewise, the court indicated that even if these commitments had been made, Nicaragua had fulfilled them.

The court expressly declared that elections were held in Nicaragua in November 1984, and that a president, vice president, and National Assembly were elected, that seven political parties were elected, and that the elections were monitored by international observers. The court also pointed out that Nicaragua had fulfilled its promise of inviting and receiving representatives from the Inter-American Human Rights Commission, who were allowed to conduct a complete investigation of human rights practices in Nicaragua and to report the results of their investigation.

Finally, the court found that even if a legal agreement had been made with the OAS and even if it had been broken, this would not justify the United States insisting on an agreement that was not made directly with the United States. The organization with which it was made is the only organization that can monitor its implementation.

In the most important paragraph of its ruling, the court said U.S. discontent with the political and socioeconomic system could not be a basis for it to intervene in Nicaragua's internal affairs. This was a strong reaffirmation of the principle of the existence of a sovereign state. It was expressed by the court in the following way: A state's adherence to any doctrine is no violation of international law. To interpret this differently would make the fundamental principle of sovereignty senseless. It is the principle on which international law rests and through which the people have the right to choose a country's political, social, economic, and cultural system. The court cannot permit the creation of a new law that allows a state to intervene in another country because the latter has chosen a given political system or ideology.

The last U.S. argument studied by the court was the alleged excessive militarization of Nicaragua. This argument is equally inconsistent. At the very same time, the United States was intervening in our internal affairs, carrying out armed attacks against our important economic installations, mining our ports, and protesting Nicaragua's arms purchases, which were necessary for our defense. It was natural for the court to reject this argument. It said it was irrelevant and inappropriate to accept this U.S. contention because, according to international law, the only laws that exist are those that are voluntarily accepted by a state, be they a treaty or other agreement.

When Nicaragua filed this historic suit in April 1984, our foreign minister, Miguel D'Escoto, said we were taking this step to claim the right of the Nicaraguan people to their sovereignty and self-determination. This was to reaffirm and to preserve the right of small countries, especially of nonaligned countries, to their sovereignty, political independence, and territorial integrity. He added that Nicaragua was filing this suit to support and to strengthen conduct in international relations.

By appealing to the ICJ, Nicaragua not only sought to claim its legal rights; it also accepted its legal obligations. We can only insist on our rights under the law if we accept the obligations imposed on us. By submitting our case to the ICJ, we pledged to abide by the obligations imposed on us by the court, whatever it ruling may have been. We also pledged to abide by international law.

This continues to be Nicaragua's policy, and it will remain unchanged. We have voluntarily pledged to respect and to obey international law and we shall honor that pledge.

Mr President, we cannot fail to note that following the court's ruling, the situation in Central America is getting worse, not better. The United States continues to meddle in the internal affairs of Nicaragua and in those of the other countries of the region. Its systematic blocking of all peace initiatives and its determination to seek solutions by force has made it evident that regional and international peace is in danger. The United States has persisted in increasing the militaristic course of its policy against Nicaragua.

The military infrastructure created in the last 5 years by the United States in the region, the construction of military bases and training centers, the staging of giant military maneuvers, and the introduction of new military equipment never before seen in the region have a scope beyond dealing the mortal blow the Nicaraguan revolution. The U.S. military presence in Central America is aimed at undermining the sovereignty of the countries in the region. It is an attempt against the integrity and independence of the Latin American and Caribbean countries.

Nothing illustrates the nature of this policy better before the eyes of the world than the U.S. Government's illegal intervention against the Nicaraguan Government and people. A total of 31,200 Nicaraguans have become victims of this dirty war, of whom 14,260 were patriotic and honest Nicaraguans killed while defending their homeland's sovereignty, independence, and self-determination. This cruel and imposed war was taken a toll over 174 innocent children and wreaked over $2 billion in physical destruction in this country.

And as if this were sufficiently cruel, upon the U.S. President's request the U.S. House of Representatives has approved $100 million, weapons of all types, and U.S. Army military advisers to enable the mercenary forces -- organized, directed, and trained by the U.S. Government -- to step up their policy of death and destruction against the Nicaraguan people.

Just yesterday, this terrorist policy took the generous lives of three international cooperation workers. They were Benhard Erich Kalberstein from the FRG; Ivan Slaude Leyuraz [words indistinct] and [name indistinct] from France. They were working on social programs for the Nicaraguan people.

However, nothing will ever be able to bend our people's strong determination to defend their dignity. Today, like yesterday, we must repeat that neither threats, [word indistinct], nor invasions will destroy our strong will to safeguard our legitimate right to self-determination. We, the 3.5 million Nicaraguan men, women, youths, children, and elderly, are prepared to sacrifice our lives for it.

Today, like yesterday, we must repeat that we do not seek confrontation; that we have not come to the UN Security Council to hurl insults at the U.S. Government, but to seek peace and respect for international laws; to seek a peaceful and honorable settlement to our differences; and to again offer an opportunity to the U.S. Government to think things over and adjust the behavior to the principles [word indistinct] of international law.

A few days ago we heard President Reagan say the imposition of a trade embargo on the hateful regime of apartheid in South Africa would be an immoral action because it would hurt the South African people. However, President Reagan has imposed a trade embargo on Nicaragua that is harming the Nicaraguan people. President Reagan must admit that the policy of state terrorism that has administration is enforcing on the Nicaraguan people is immoral. President Reagan must admit that another Vietnam is being promoted in Central America along the path and that this will lead to U.S. youths also dying in Central America.

[Former U.S.] Ambassador to Honduras John Ferch has confirmed this militaristic tendency. He has stated that if the current policy is maintained, the $100 million that was recently approved by the House of Representatives will be nothing but a down payment [preceding two words said first in Spanish, then in English] for a much larger amount of aid. He has said he feels he was to victim of a lie from his own government. I think he was led into believing something that was not true because he believed in the declarations in favor of a negotiated solution until he became convinced that the goal of the Nicaraguan policy was something different, a completely military goal. This was said by the [former] U.S. Ambassador to Honduras [words indistinct].

Mr President, loyal to our desire for peace, we have done all possible and necessary to facilitate the success of the pacification effort carried out by the Contadora and Lima Groups on behalf of Latin America.

On 17 June of this year, making a [word indistinct] effort, for the second time we were the only country that told Contadora that we were prepared to sign the most recently revised Contadora peace act, which had been presented at the meeting in Panama on 6 June.

All of us are aware of the danger to the efforts of this group of countries because of the current U.S. Government's lack of political will to truly support this Latin American effort.

The U.S. position toward Contadora has been one of rhetorical support, but in reality, it is an effective boycott in the form of pressure, blackmail, and military activities in the area. The contempt for the search for peaceful and political, solutions is evident.

The U.S. Government must correct its course. To do so would not be humiliating; on the contrary, this would bring honor and international respect and recognition to the United States.

Nicaragua is willing to immediately begin negotiations with the U.S. Government to solve existing problems and to normalize our relations. Mr President and council members: The future of international law, the international legal order, and all they represent is now in your hands.

What is in store for the court, for the international legal order, and for the fundamental principles of international law on which the court based its decision if this decision, which was based on fundamental principles of international law, is not respected and endorsed? We are certain that we will receive your support so that the court is not undermined and so that the fragile structure of international law will not sustain a deadly blow but, on the contrary, will be strengthened. Nobody is more obligated than Security Council members to promote respect for the court and legal order in relations between states. Nicaragua is not asking for the condemnation of anyone; Nicaragua only seeks support for the ICJ and for law in international relations.

We are sure the Security Council will give its full support to the international legal order, to the UN Charter, and to the ICJ. In this way, the justice, peace, and self-determination to which small countries such as Nicaragua are entitled will be defended. Thank you very much. [applause]

ORTEGA, D'ESCOTO HOLD NEWS CONFERENCE AT UN

PA292246 Managua Domestic Service in Spanish 1620 GMT 29 Jul 86

[News conference given by President Daniel Ortega Saavedra and Foreign Minister Miguel D'Escoto Brockman at the United Nations for correspondents accredited to the United Nations -- live]

[Text] [Reporter] [Words indistinct] at the International Court of Justice [ICJ] that the United States rejected beforehand. What right do the countries that disregard the ICJ have [words indistinct] the policy of the empty chair within the court?

[Ortega] The U.S. Government has not officially rejected the ICJ ruling. Therefore, what we did today was suggest the need to boost our support for the ICJ, boost our support for its actions, boost our support for international law, and [words indistinct] to all the states.

[Reporter] But there are states, permanent members of the ICJ, that because of their doctrine reject the position of the court. One of these countries was absent from the 28 June, [as heard] session, the day on which the ICJ ruled in favor of Nicaragua.

[Ortega] I will let Father D'Escoto answer that.

[D'Escoto] I am not aware of any state openly rejecting the ICJ's jurisdiction. What we do have is some states, most of them, in fact, who have not accepted the court's jurisdiction and therefore only allot it jurisdiction in certain cases [words indistinct]. However, it is absurd to say there is a state that has total disregard for the ICJ. [words indistinct] that is not correct.

You mentioned the judge who was absent from the 28 June session; I imagine you were referring to the Soviet judge. The Soviet judge could not participate because he had just been appointed to the position and had not participated in the debates. He therefore had no right to participate on the day of the ruling. This is why he did not participate, not because he was absent, as you said. It is very important that you find out what really happened before you ask questions or make statements that are not correct.

[Hawkins] Marion Hawkins. Mr President, your government has said that there were no [words indistinct] with the United States; however, the Nonaligned Movement's bureau has released a communique supporting a reopening of these talks, and draft statements are being distributed regarding the reopening of talks between Nicaragua and the United States. Is Nicaragua offering the United States anything to reopen the talks interrupted 2 years ago?

[Ortega] Yes. Nicaragua has very specific proposals for treaties and agreements that we would be willing to sign with the United States and that establish a framework for mutual security.

[Reporter] [Passage indistinct]

[Ortega] This is a challenge for all the countries of the world. We must prove that respect for the law strengthens [words indistinct] and all the countries of the world want this.

[Reporter] [Passage indistinct]

[Ortega] For your information, political delegations -- including U.S. delegations, U.S. Government representatives, and U.S. congressmen who defend Reagan's policy -- have visited Nicaragua. They meet with Nicaraguan officials and political groups and make statements. They have absolute freedom to do this. Even President Reagan can do this, we have told him so on several occasions. We have told him that he can use the Nicaraguan media. President Reagan's speeches are heard in Nicaragua. We have told him that if he visits Nicaragua he will have Nicaraguan television at his service to speak to the Nicaraguan peole.

[Reporter] What importance do you attach to the support and solidarity of the freindly countries within the UN Security Council?

[Ortega] We consider the attitude assumed by these countries very important. We cannot dispute the fact that the countries that have good relations with Nicaragua, friendly relations with Nicaragua, are very concerned about the situation in Central America, a situation in which Nicaragua is directly threatened. Our efforts are aimed at getting the support of all countries and for these countries to express their support before international organizations.

[Reporter] [Words indistinct] reason for the Nicarguan Government to take the case of Honduras and Costa Rica before the ICJ? You have already explained the activities of the contras in those countries against Nicaragua.

[Ortega] This is all part of the same problem. What is the problem here? The policy of the U.S. Government. They have imposed these (?men) on those countries, on Honduras and Costa Rica, and have established camps of mercenary forces in those countries, even against the will of the governments of those countries, even against the policy of neutrality that is defended and has been made official by the Costa Rican Government. Nicaragua has tried to talk to these two governments to try and find a bilateral solution to the problem. It has also made efforts within the Contadora Group. Witeh Costa Rica, we even worked on a proposal to establish a multinational force at the border area to guarantee stability there. That did not work due to U.S. meddling that blocked that effort. We have made similar proposals to Honduras that have also been blocked by the U.S. Government.

Therefore, what other path is left for us? Given that we respect the law and international [word indistinct] we resorted to the court again to brief it on this situation so that the Honduran and Costa Rican Governments would become interested in finding a solution to this problem.

[Reporter] [Passage indistinct]

[Ortega] I think so; the fact that this case has been taken to the court helps the Central American governments to defend the institutional framework and their rights as sovereign nations to prevent the U.S. Government from occupying their territory to attack Nicaragua.

[Reporter] From the London Business Publications: What impact do the oil restrictions and the blockade have against Nicaragua? What measures is the government implementing to remedy this in the short - and long-run to control this situation?

[Ortega] Yes, the U.S. Government's embargo policy has been highly costly for the Nicaraguan economy. It has forced us to seek other technological alternatives in Latin America, in Western Europe, in Socialist community countries. We are facing those problems in this way.

[Reporter] Mr President, Nora Astorga, your ambassador to the United Nations, was rejected by the United States as ambassador to that country. You appointed her as ambassador to the United Nations. Why was she rejected in Washington and why did you appoint her to the United Nations? Is this not a slap in the face of my government?

[Ortega] I think that the attitude of the U.S. Government is a political attitude against Nicaragua. That is why the appointment of our ambassador was rejected. They were afraid of the message she could carry to the U.S. public. However, we are honored that she represents us at the United Nations, which is an organization that means so much and is so well-recognized by the peoples of the world.

[Reporter] News agency from Nigeria. Would you please comment on reports that you suggested that the wife of LA PRENSA's editor serve a 30-year jail sentence? Would you please confirm this report?

[Ortega] This is what happened: I explained that in the United States people who violate the law as LA PRENSA owners have are tried, jailed, and condemned. We have a recent case involving a spy. The United States is not involved in a war, it is peacetime. A U.S. citizen, however, was captured, charged with espionage, and condemned to two life imprisonment terms plus 50 years in jail.

In Nicaragua, certain people such as LA PRENSA's owners and some bishops such as Bishop Vega have committed treason against the homeland that are as grave or graver than those that can be committed in the United States, because we must take into consideration that Nicaragua is at war. That is, their actions involve treason against the homeland in wartime.

What they deserve is a trial and a maximum sentence allowed in Nicaragua of 30 years, because there is no electric chair, death penalty, gas chamber, or life sentences. That is what I said.

I also said that instead of applying the corresponding sentence, we decided to implement the measure affecting [words indistinct] less. They are free over there; they are not in jail; they are [words indistinct]; they are writing anywhere. This is proof that they are safe in Nicaragua.

[Reporter] Channel 7, THE NEW YORK NEWS. What do you have to say about President Reagan's attitude toward the counterrevolutionaries? How do you feel here in New York, meeting with various groups of citizens who have different views?

[Ortega] I think that here in the United States there are important sectors who understand the Central American problem and who do not approve of their government's policy. I can assure you that, in general, the people of the United States do not approve what already is an interventionist policy against Nicaragua, which will possibly lead to U.S. troops invading Nicaragua, because it would be another Vietnam in Central America. I realize that there are minor sectors supporting the interventionist policy against Nicaragua. However, what I feel is very significant is the increasing concern over the situation in Central America. We hope the U.S. Government will stop to think about the possible consequences of its attitude.

[Reporter] You have been saying that Nicaragua wants to negotiate with the United States. What specific proposals would you make to establish a situation of mutual security? Could you give details of such proposals?

[Ortega] We have proposed a direct agreement with the United States in which we ask the United States to guarantee that it will not threaten Nicaragua's security, that it will recognize and respect Nicaragua's right to self-determination, and that will not use neighboring countries to launch attacks against Nicaragua. On the other hand, Nicaragua will agree to take the necessary measures to guarantee the security of Central American countries, which the United States feels is being threatened by Nicaragua. In reality, Nicaragua is not a threat to those countries' security. We are willing to sign agreements with the Central American countries [words indistinct].

For example, the last proposals we made during the Contadora meeting were very definite proposals on the number and type of weapons in Central America. We proposed a limit on the acquisition of a specific weapons system. We are referring to all types of planes, helicopters, tanks, heavy artillery, military maneuvers, and military advisers along with many other points we submitted. We submitted a proposal in which Nicaragua would agree to [words indistinct] and to see that the five Central American countries start getting rid of foreign military presence in the area. We think that this is very important.

[Reporter] Your government has taken a number of security measures since the approval of the aid to the counterrevolutionaries [words indistinct] the expulsion from the country of Bishop Vega [words indistinct] to get in touch with the Catholic Church in New York. I would like to know if you got in touch with the Catholic Church? If you did, how was it, and will your government resume or hold a new dialogue with the Nicaraguan Catholic Church?

[Ortega] We have always been ready to engage in dialogue with the church. For example, I talked with Cardinal O'Connor when he went to Nicaragua, and we are always prepared to hold this type of contact.

As for a concrete initiative on our part, this has not existed. I think that there has been some mutual interest but up to this moment nothing concrete has resulted from it.

[Reporter] What about the meeting you asked to have with the cardinal in New York?

[Ortega] I have not asked to hold any meeting with the cardinal. I repeat that there has been mutual interest, but nothing definite has been decided so far.

[Reporter] Mr President, is Nicaragua planning on taking legal action against the U.S. Government in a U.S. court, as Professor Abrams indicated, based on the ICJ decision?

[Moderator translates into Spanish answer in English by Foreign Minister D'Escoto] We cannot say off hand what will be our future steps. Yet, you can be sure that Nicaragua in the future, as it has been done in the past and in the present, will always try to resort to every means possible for a peaceful solution to conflicts. This is all we can say for the time being.

[Reporter] You said in your speech that you know that the people of the United States do not want another Vietnam in Central America. What makes you think that President Reagan wants a Vietnam in Central America?

[Ortega] Because the President of the United States is thinking about a quick solution. He believes that a military action against Nicaragua would be a rapid alternative. This is entirely a false belief. A military action against Nicaragua would result in U.S. troops being bogged down in Nicaragua.

[Reporter] Mr President, as you have done before, you are asking for peace talks with the United States. However, this administration does not seem to have the same interest. How do you plan to face this situation?

[Ortega] Well, it is a fact that the U.S. Government's terrorist policy against Nicaragua has not weakened the people's confidence in the revolution and the counterrevolutionaries have not made any advance in Nicaragua. They have only had defeats. Besides, the people in the United States do not approve of that policy; Latin America does not approve of that policy. Contadora has been asking the U.S. Government for a peace solution. The international community does not approve of President Reagan's policy. In view of all this, President Reagan will have to think things over and think about Nicaragua's proposal to hold talks to solve the conflicts and have peace.

[Reporter] Doctor... [corrects herself] Mr President, you have said that Nicaragua has the right to chase the contras beyond its borders. Do you agree with what President Reagan has said about this and do you agree that Nicaragua has the right to chase the contras who are inside its borders?

[Ortega] Well, Nicaragua is defending itself from a foreign aggressor, and we have every right to defend ourselves from this foreign aggression. The mercenary forces have bases in Honduran and Costa Rican territory, and we have asked the ICJ to help us solve this problem by enforcing the law. Meanwhile, we must logically continue to stop the mercenary forces at the border areas with Honduras -- where they have their main camps -- and thus stop them from entering deep into Nicaraguan territory.

[Gonzalez] Roberto Gonzalez of NOTIMEX. Mr President, when President Reagan refers to Nicaragua he talks about the communist threat. I would like to know if your regime is communist or, if it is not, what ideological inclination does it have?

[Ortega] Well, the court has said that if a country has one type of social and political regime this does not give another state the right to attack the first country and try to change its regime. Consequently, President Reagan has absolutely no right to launch an attack against Nicaragua under the assumption that it has a communist regime, socialist regime, or whatever. Anyway, this is a secondary matter; the important thing is that the U.S. Government is violating international laws by acting in this way against Nicaragua. Now then, our regime is a revolutionary regime based on a nonaligned principle with a domestic regime of political pluralism and mixed economy. We call this a popular, revolutionary, and Sandinist regime; if others want to say that our regime has different characteristics, that is their affair.

[Scotland] Sue Scotland, for a Zimbabwean newspaper. Sir, I suppose that you are going to the seventh nonaligned summit in Zimbabwe. What statements are you going to make to this group of 101 member-states and what type of requests would you expect... [corrects herself] would you make after presenting your statement -- under the assumption that you will attend the summit? Also, when you return to the UN General Assembly this year, what will you state at the assembly?

[Ortega] We support the country that will host the nonaligned summit -- this time it will be Zimbabwe -- and the summit to be held in Harare and [words indistinct] Comrade Mugabe. It is obvious that some states are interested... [corrects himself] do not want the summit to be held there. South Africa has already begun terrorist actions so the summit will not be held there. I might add that the summit to be held in Harare -- and Nicaragua will undoubtedly attend it to support the principles of nonalignment -- will be mainly aimed at defending the South African people's rights, because they are currently withstanding a regime of apartheid and oppression; this will be an action of solidarity with the South African people. Nicaragua will obviously support all the resolutions and topics of interest discussed by the nonaligned countries, and will discuss the crisis in Latin America and Central America.

[Seaberg] Phil Seaberg of USA TODAY. You said in your speech today that the Nicaraguan people are willing to die for their self-determination. Could you please give more details on this statement?

[Ortega] Well, the Nicaraguan people have the will to defend their self-determination, and they have proved this throughout these years. They are not easily cowed and they are not cowards, despite the sacrifices, the harsh struggle, and the outlook -- which is not the best. They stand firm, prepared to fight and defeat the aggression. They are also exerting themselves in the producton and social sector to develop the country.

[Bishop] Nick Bishop [words indistinct]. As far as I know, this is the first time that a Latin American country has filed a suit at the ICJ against U.S. intervention. Will this have any consequences on Latin America's future?

[Ortega] This sanction is very important because it defends the legitimate rights of Latin America and the Caribbean, which have been systematically threatened by the United States. The U.S. Government's long list of interventions, occupation of territories, and theft of territories in Latin America and its interventions in Nicaragua are well known.

Consequently, this establishes a very important precedent concerning the defense of the Latin American nations' sovereignty, self-determination, and independence.

[Reporter] Commander Ortega, how many Soviet and Cuban advisers do you have in Nicaragua?

[Ortega] I can state to you that in Nicaragua there are no Soviet troops, there are no Soviet military bases, and no military maneuvers are held with Soviet troops or foreign military forces. We are ready to withdraw all foreign military advisers and instructors in Nicaragua as long as there is reciprocal attitude on the part of the rest of the Central American Goverments. As for the number, I would say that the number of Cuban military instructors -- because we only have Cuban military instructors in Nicaragua -- is a number that is gradually decreasing as they are replaced by national instructors. Right now... [changes thought] the number of instructors, which was larger, some weeks ago, is currently approximately 500.

[Shannon] Don Shannon, LOS ANGELES TIMES. Mr President, you said you would attend the nonaligned summit. One of the problems being faced by that community is the position adopted on the Afghan revolution. You have always sided with the Soviets concerning this controversy. Was this done because you believe the Afghan rebels can be compared with the contras? What is your opinion on this?

[Ortega] We have a clear position on this matter, and we voted accordingly at the United Nations on the Afghan issue. Now, I believe the situation is completely different concerning U.S. relations with the contras -- which are not a government and do not represent a state -- and the Soviet Union's relations with the Afghan Government, because there has always been a government in that state, and the Soviet Union has relations with that government.

[Reporter] Thank you, Mr President.

PROTEST NOTES SENT TO U.S. ON ALLEGED ATTACKS

28 July Protest Note

PA300205 Managua BARRICADA in Spanish 29 Jul 86 p 2

[Protest note sent by Acting Foreign Minister Victor Hugo Tinoco to U.S. Secretary of State George Shultz on 28 July]

[Text] Managua, Nicaragua, 28 July 1986

His Excellency Mr George Shultz, Secretary of State,

United States of America

Mr Secretary of State:

Again I find myself with the obligation of referring to very grave events that I list herewith:

Today, 28 July, at 1330 hours at a place called "Zompopera," located 53 km in the northern sector [as published] of Jinotega Department, mercenary forces serving your government ambushed two civilian vehicles. As a result of this treacherous attack, five civilians were murdered and another three were injured.

The names of the civilians murdered, among which there were three internationalist cooperation workers of different nationalities, are as follows: Ivan Leyvraz, Swiss; Joel Fieux, French; Bernhard Erich Kalberstein, German; and Mario Acevedo and William Blandon, both Nicaraguans.

Likewise, I inform you of the names of the Nicaraguan civilians injured: Juan Avendana, Arnulfo Herrera, and Carlos Lazo.

Faced by military failures, the mercenary forces created by your government carry out indiscriminate actions against civilian targets, encouraged by the operations manual made up by the CIA.

These crimes add to the long list of murdered, injured, mutilated, kidnapped, tortured, and displaced that has been produced by the brutal mercenary aggression against my country. With this policy of force and threats, the U.S. Government ratifies its decision to remain outside the bounds of international legal order and confront the ICJ ruling of 27 June.

Despite the ICJ ruling, issued barely a month ago, condemning the United States for its persistent violation of the most basic norms of international law, these crimes clearly show that the U.S. Government continues to be determined to intensify its official policy of state terrorism against the Nicaraguan people and citizens of various nationalities who are cooperating in civilian activities in Nicaragua. Far from stopping the unfair, immoral war against my country, the U.S. Government increases its military, paramilitary, and interventionist activities in the area, thus dangerously aggravating the Central American conflict.

Those tragic events took place at the moment Nicaragua requested a UN Security Council meeting to motivate a deep reflection on the need to abide by international legal order and the aforementioned ICJ ruling.

The Nicaraguan Government firmly and vigorously protests the continuation of the official policy of state terrorism that has cost many lives and material damage. The Nicaraguan Government holds the U.S. Government responsible for this criminal action. These new actions should make the U.S. Government reflect on the matter so that it will abide by its international duty and the ICJ ruling and stop encouraging, promoting, and directing this type of action, which shows the U.S. Government's contempt for human life and the basic rights of the peoples.

Yours truly,

Victor Hugo Tinoco

Acting Foreign Minister

29 July Protest

PA300442 Managua Domestic Service in Spanish 0305 GMT 30 Jul 86

[Protest note sent by acting Foreign Minister Victor Hugo Tinoco to U.S. Secretary of State George Shultz on 29 July]

[Text] At 2300 on 28 July a group of approximately 30 mercenaries at the service of your government attacked with mortars and RPG-7 rockets the settlement of Panali, 6 km southeast of Quilali, Nueva Segovia Department. As a result of this criminal attack, 1 woman and 4 children were murdered and 26 persons, among them women and children, were injured. The attack also caused damage to property in the settlement.

Just as I reported to you in my note dated yesterday, 28 July, on the same day a few hours before this new crime was committed, a group of mercenaries organized by your government ambushed two private vehicles, killing five persons and wounding three.

Although the International Court of Justice [ICJ] in its 27 June ruling ordered the United States to immediately stop and abstain from all such actions, which constitute violations of the legal obligations established in the ruling, the U.S. Government has persisted in its policy of violating the international legal order.

Following the ICJ ruling, the armed actions, threats, and intervention against Nicaragua not only have not ended, but instead the terrorist actions have continued and increased against civilian targets, and the preparations for the escalation of the war against my country are continuing.

In this respect, the murders and kidnapping of civilians have continued, including citizens of different nationalities, the mining of road used by private vehicles, the attack on vessels and civilian transportation facilities, and the attack on peasant's cooperatives, among other actions of violence and terror, for which we already lodged official protests to your government.

These inhuman actions that have taken place during the past 5 weeks have caused new victims in the aggression launched against my country, including children.

This situation urgently calls for abidance by the appeal made today by President Daniel Ortega at the United Nations, urging your government to reconsider and act according to the international legal order.

The Nicaraguan Government strongly and officially protests these barbaric actions, which undermine the foundations of civilized coexistence and violate basic principles of humanitarian and international rights. For this reason, the U.S. Government must stop and give up its illegal, immoral, and arbitrary conduct and resume the realm of respectful and civilized relations among nations, for which it is necessary to abide by the ICJ ruling.

Signed: Acting Foreign Minister Victor Hugo Tinoco.

Ramirez on Volunteers' Deaths

PA300147 Managua Domestic Service in Spanish 2330 GMT 29 Jul 86

[Speech by Vice President Sergio Ramirez Mercado in Matagalpa during funeral services for the volunteer workers and Nicaraguans killed by counterrevolutionaries near Wiwili -- live]

[Text] Companeros: We have come here this afternoon on behalf of the FSLN National Directorate and the president of the Republic who, as you know, is in New York where he spoke today before the UN Security Council. We have come to bring a message of sorrow, but also of hope, of the Sandinist people's revolution in the face of this crime carried out by the Reagan administration. This has been another of the many crimes of which the Nicaraguan people have been victims. When we speak of the Nicaraguan people we are also speaking of all those brothers and companeros who have left their homes in far away lands to come here and join this solidary and fraternal task of helping the Nicaraguan people. For this reason, they are also a part of our people. [applause and slogans]

First of all I wish to say that with the Reagan administration's terrorist plans to destroy our revolution there is a conspiracy of the CIA, its mercenaries, and its terrorist agents to stop Nicaragua from receiving international cooperation. When the seven FRG companero volunteers were kidnapped on the Atlantic coast of Nicaragua a few months ago, I was visiting Europe on a mission for the revolution. I was able to see how the reports on this kidnapping had been manipulated to such an extent that the terrorists were presented as the kidnap victims instead of kidnappers. They tried to make the people believe that it was a crime to come to Nicaragua to help the people in the rural and poor areas.

According to their way of thinking, it is a crime to come to Nicaragua to build schools; it is a crime to come and help improve the water systems in the rural areas; it is a crime to come to Nicaragua and help build the peasant settlements; therefore, it is a crime for the Nicaraguan people to want to advance in their own revolution.

What we have to say to them is quite simple. Those who want to destroy the Sandinist people's revolution and who murder the children of Nicaragua and the international volunteers, who are also children of Nicaragua, are the real criminals. We cannot say that only those who fire their guns against our people are criminals. The criminals are also those who direct, finance, and plan the destruction of a revolution and a people. They are not only criminals but also fugitives from international justice because they ave already been condemned. The International Court of Justice at The Hague has ordered them to stop their actions. Despite this, they continue to kill and destroy.

To our brother Ivan Claude Leyvraz and to our friends of the Swiss Workers Aid organization that brought Leyvraz to Nicaragua; to our brother Bernhard Erich Kalberstein from Freiburg and to the Friends of Nicaragua Association in Freiburg; to Companero Joel Fieux, who had already become a Nicaraguan, and to his mother who is here with us today; to all of you we say that the revolution will pick up your example and your blood together with the example and blood of our brothers William Blandon Aguilar and Mario Acevedo Fuentes, who were also killed in this ambush in Zompopera. From this podium and facing the bodies of our fallen brothers, we wish to send a message to the world; a message to the countries where our brothers came from.

We wish to say that the opinions of those countries, of the political groups, trade unions, and governments, must be heard. They must condemn this campaign of terror aimed at isolating Nicaragua, at preventing international cooperation from reaching us, and at keeping our brothers from Europe, the United States, Canada, Latin America, and other places from coming to Nicaragua. What we must do is stop the hand of the killer, not the hand of the volunteer who wants to come to Nicaragua. [applause] It is important to encourage the brothers and sisters from all over to come to this country to work, to experience our situation, because this a revolution that not only belongs to the Nicarguans but a revolution that belongs to all men and women of goodwill. What we need here in Nicaragua are men and women of goodwill; men and women who come to work with their hands and with their minds to help Nicaragua advance, just like our brothers who died in Zommpopera were doing.

As I said earlier, this is a message of sorrow but also of hope and above all a message of victory. The FSLN has never doubted that it will win this war. [applause] The Nicaraguan people have never had doubts that in the end their rifles will win. The Nicaraguan people have truth and justice on their side, and truth and justice can never be defeated by crime, evil, and lies. The blood shed in Zompopera vouches for the cause of the people of Nicaragua. It is a generous blood, the blood of men of goodwill. It is an invincible blood.

Free fatherland [people shout: "or death!"]

BELGIAN VOLUNTEER WORKER DESCRIBES KIDNAPPING

PA262356 Managua Radio Sandino in Spanish 1930 GMT 25 Jul 86

[Excerpt] Pierre Diron, the Belgian volunteer worker, thinks that his kidnapping by the contras was due to three reasons: first, to intimidate the internationalists who work on the project at El Chile and adjacent areas; second, to gather information about the operations in the zone; and third, to change the people's opinion about the mercenaries for a possible recruitment of forces in the future. Diron said this during a news conference held today with international journalists.

He also said members of the counterrevolutionary group that kidnapped him came to the town disguised as members of the Sandinist People's Army. Consequently, the people were not afraid of them -- they even welcomed them and offered some food.

The Belgian volunteer worker said he did not learn they were FDN members until he was taken far from the village, where another group of contras was hidden in ambush; he saw their documents and the uniforms they wore, which had the FDN-U.S.A. insignia.

The Belgian volunteer's story indicates that the group of mercenaries sought to gather information from the population concerning the EPS' situation in order to carry out armed attacks on the town in the future.

CASTRO DELIVERS 26 JULY ANNIVERSARY ADDRESS

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[Speech by President Fidel Castro at a ceremony commemorating the 33d anniversary of the assault on the Moncada Barracks at Sancti Spiritus -- live]

[Text] OK, now its our turn. Distinguished visitors, people of Sancti Spiritus, compatriots, everyone: Following the tradition of the last few years, the ceremony commemorating the Moncada anniversary is assigned to a province based on its work and merits. In this case, and on this occasion, this assignment fell to Sancti Spiritus province.

It is also traditional on an important day like this to dedicate an important amount of time to analyze the revolutionary, economic, and social development of the awarded province.

For the immense majority of those present here, many dates and acts are recognized. This is not exactly the case for foreign visitors.

Sancti Spiritus is one of the newer provinces created by the new political administrative division of the country established in 1976. The area of this province totals 6,744 square km with an approximate population -- because boys and girls are being born every day -- of 414,000 residents. It comprises approximately 6 percent of the national territory and approximately 4 percent of the country's population.

If we take into account that more than half the population of this province was born after the triumph of the revolution -- and there are many young people here, among whom are enthusiastic students who are not always enthusiastic in their studies but always enthusiastic in revolutionary commemoration and always enthusiastic in general -- it is good to recall, and even though it seems unnecessary, it is good to remember what the situation was in this territory before the revolution.

Those who already had the ability to reason, as it is called, before the 1st of January 1959...[changes thought] I can assure you that the city of Sancti Spiritus does not at all resemble the city we visited on 6 January the year we told the people of Sancti Spiritus that the time of the true revolution had arrived.

The territory occupied by this province was one of the country's poorest and most underdeveloped. Its economy was fundamentally based on agriculture, a very backward agriculture where a good number of landowners occupied the vast majority of agricultural land.

During the revolutionary years, the country has invested almost 2 billion pesos to develop Sancti Spiritus province economically and socially. Agriculture used to be almost totally manual. It has become mechanized over the past few years. It has been mechanized considerably. From barely a few dozen rubber-tire and track-operated tractors, this province now has no less than 4,000 rubber-tire tractors and approximately 400 track-operated tractors. There is no comparison between the techniques used in the sugar and rice harvest -- preparing and fertilizing the land, spraying herbicides, pesticides, and carrying out other tasks were all done manually -- with what is current being used.

Since this province has a potential for rich lands, one of the tasks completed by the revolution was the construction of a number of dams, which total five. Among them is the country's largest dam, the Zaza, with a capacity of over 1 billion cubic meters of water. With seventy small dams, or microdams as we call them, the area under irrigation has been increased considerably, reaching approximately 40,000 hectares of land. One of the country's largest and most productive rice fields was developed in the southern part of the province. Two hundred eighty different kinds of dairies, hundreds of additional cattle pens, and tens of poultry and swine production centers were built in these years. Cane fields were rotated and expanded, and new varieties were introduced.

Efforts were made not just in the area of agriculture. The industrial sector showed considerable progress and became the province's main source of production. The 300,000-arrobas Uruguay sugarmill was expanded to a 1-million arrobas capacity. It will be expanded further until it reaches 1.4 million. It will be one of the largest in the country. The Feneta sugarmill was expanded and modernized. Most of the province's sugarmills had their machinery replaced and modernized. Sugarmill railroads were modernized. Twenty-five collection and processing centers were built. Hundreds of cane harvesters were introduced and allowed to mechanize up to approximately 65 percent of the harvest. The number of canecutters in this province was reduced from approximately 20,000 to 3,800 as a result of the mechanization of cane cutting and collection -- where harvesters had no access -- and the mechanization of collection centers, which increased work productivity thus humanizing one of the province's most difficult jobs. The construction industry made progress. A new cement factory was built during the first years of the revolution. It has an annual production capability of 670,000 tons, which is equivalent to two-thirds of the total cement production capability of the country at that time. Important rock crusher plants [molinos de aridos] were installed -- two of them -- four sand washers, two "grand panel number four" prefabricated housing components plants, two general prefabricated component plants, block factories, and other installations.

In the foodstuff industry, two new and modern rice mills, eight drying rooms, the Rio Zaza foodstuff plant, the Sancti Spiritus slaughter house, the modern Trinidad factory which produces export candy, soft drink plants, and other facilities were built. Protein was produced using molasses. One of the most important industries was the recently built -- at a cost of over 240 million pesos -- the Panchito Gomez Toro paper mill, in Jatibonico, which is now the most modern as well as the country's largest producer of paper pulp and paper. It will allow us to satisfy national needs and to export the surplus.

The 110,000-kw electric power lines have tripled. The 33,000-kw power lines have grown by five. This is not all. The construction of what may be the largest industrial installation of this province in the energy field has begun. It is unique in Cuba. It is the hydroaccumulator in Fomento, in the Escambray Mountains, the cost of which is calculated at 400 million pesos. It will complement the Cienfuegos nuclear power plant. I remember that, on the occasion of the 26 July celebration in that province, I tried to explain what a hydro-accumulator is. I know that many know what it is. I know that others hear the words but do not know their meaning. The hydro-accumulator is really interesting. It is a hydraulic installation. At certain hours of the day it consumes electricity, and at other hours it uses electricity. [sentence as heard] But if we bear in mind that the Cienfuegos nuclear power plant will have four reactors, each producing more than 400,000 kw, and that it is a product of Soviet technology that is being built with painstaking quality and with great security guarantees, we can affirm that the power plant will be safer than any of the nuclear power plants that have been built in the United States. [applause] It will have a greater number of skilled engineers and workers than any nuclear power plant in the United States, and a safe technology that has been tested internationally.

I had occasion to express this in a letter to a U.S. legislator from Florida who, with great respect and without the arrogance which some of these gentlemen have accustomed us to, wrote to ~~me as~~ a neighbor, asking about the security of the plant. In the same spirit of respect with which he wrote, I answered him, giving ample explanations about security matters and guarantees concerning our perhaps one day soon it will be advisable to publicize that letter; I do not know what he has done with it. I hope he has received it; I sent it several weeks ago. But in that letter I told him that, as neighbors, we were willing to give him that information. However, as neighbors, we also expected him to give us information about security matters and guarantees of the nuclear power plants of the United States. [applause]

I mention this because it is germane -- we were talking about the hydroaccumulator -- and because after the accident at Chernobyl in the USSR, some tried to create an uproar over this matter and began to create an uproar over the construction of the Cuban nuclear power plant in Cienfuegos which, I repeat, is being built with all the guarantees and with an absolutely safe technology. But, above all, it is going to have personnel with an extraordinarily high scientific and technical level because we have been training them for years. These reactors function all year. It is not like a thermoelectric plant that is fired up at a specific hour and shut down at a specific hour according to the demand for electric power. These four reactors will function constantly, all four, except when a reactor is shut down for maintenance each year. That is, there will be a period when three will be functioning and the other will be undergoing maintenance.

But in general all four will be working all year. As you know, the consumption of electricity is not the same during the day. It also is not the same during the whole year.

When this work is completed, we will use more electricity. The so-called peak hours when all lights, television sets, irons, fans, and domestic appliances are all turned on at the same time is when the electrical demand will be enormous. The demand decreases at dawn when it is much less. The demand is less during the day then during the peak hours which fluctuate between 1900-2200, depending on the time of year. The country needs to have installations for those peak hours, not for an average but rather for the moment of maximum demand.

Those four reactors will have a very high rate of electrical production even through they are transmitted to the western, central, and eastern parts of the country. When three or four reactors are operational, there will be a surplus of electricity at certain moments. This electricity needs to be used at that time. Naturally, if the country develops production installations, for example for special tractors, electricity can be used for that kind of production during those hours.

Clearly, however, the availability of electricity does not always correspond to the demand. What should be done then with that extra electricity?

The hydroaccumulator is a dam that has pumps to force the water up as well as electrical generators to produce electricity similar to the generated, for example, by the Hanabanilla hydroelectric center. When there is surplus of electricity, the hydroaccumulator pumps the water up and when there is a lack of electricity during peak hours, the hydroaccumulator lets the water fall and produces electricity.

If the four reactors had a capacity of 1.45 million kilowatts during peak hours, their production would be added to the electricity from the hydroaccumulator, which had accumulated water and at that moment was also producing electricity. At a certain time of the day, they could be using almost 2 million kilowatts between the four reactors and the hydroaccumulator.

I am not an engineer, so you will have to excuse me if my explanation is not perfect or even less, but I hope that the people of Sancti Spiritus clearly understand that the hydroaccumulator will serve the peak hours and will produce hundreds of thousands of kilowatts per hour during that time. It will also save the country hundreds of thousands of tons of oil a year. It will reduce the country's thermoelectric needs. When everything is operational, the less-efficient thermoelectric centers will be stopped. They will only be used at peak hours when they are needed. The electronuclear center will be the fundamental source. The more-efficient thermoelectric centers will be operational and will also conserve much combustible fuel.

This is better understood if I tell you, for example, that there are still some plants in the capital of the country that consume 400 grams of petroleum, which is almost one-half a kg of petroleum per kilowatt. We have more modern thermoelectric centers that use 230 or 220 grams per kilowatt which is less than one-fourth a kg of petroleum needed to produce 1 kilowatt of electricity. It seems to me that it is not necessary to explain to the people of Sancti Spiritus the importance of electricity to the development of the country. We know that nothing moves, not one hospital or its staff, not one school, cold-storage plant, or factory. Nothing moves in a home without electricity and there is no possible development without electricity. That is why the world needs to find new sources of energy since the supply of petroleum is limited. It will become exhausted. The tendency of oil prices, no matter what the fluctuations and falls are as is the case with the current price, is to rise. Oil is lost this way. One can say that a very important natural resource is burned, utilizing only a small percentage of energy. The energy contained in a ton of petroleum is reduced by one-third after it is processed at a thermoelectric center. What reaches the consumer is less than 30 percent of the energy contained in the petroleum.

It is possible that humankind will someday regret the manner in which it has wasted this excellent natural resource that has many other uses, more logical and rational than to be wasted producing electricity. When the countries have coal, they have another important resource. Europe, the United States, and the USSR are rich in coal. There is a large number of countries that have coal. Unfortunately, our country is not rich in coal.

There are countries that have large rivers and can dam them to produce electricity. As you all know, our rivers are small and very short, and the most rational use that can be given to water is precisely in agriculture, in the production of cane, in the production of rice, etc. There were very few big forests left in our country, they had been demolished.

That is why for our country the use of this new energy source, nuclear energy, is essential, because we do not have any other alternative. During the first years of the revolution there was no way we could think about that, because we only had a capacity of some 350,000 kw and just one of these reactors has a greater capacity. Small reactors were not being built and are not being built. The smallest being built today is more or less at this level, around 400,000 kw. If the country had installed one of those reactors, and in addition we would have had the economic resources to install it and the technical capabilities to operate it, the day the reactor was shut down for maintenance the country would have been without electricity. Now it is possible to have one, two, three, or four reactors because our capacity has multiplied by about 15 times, that is, the capacity for producing electric energy.

That is why we are still building some thermoelectric plants, however, in the future we will only build nuclear power plants. This plant alone will save the country some 2.6 million tons of fuel yearly. If we include the hydroaccumulator, I estimate we will save more than 3 million tons of fuel a year. What does 3 million tons mean? How much do they cost today?

How much will they cost in the future? It could be said that for every 3 million tons of fuel, 10,000-ton tankers would have to make 300 trips, or 100 trips by 30,000-ton tankers. On the contrary, only one freighter need only make one trip to bring a container with the nuclear fuel needed by our Cienfuegos nuclear power plant.

Please excuse me for having taken so much time explaining the energy issue, but I wanted you to be aware of the importance of the hydroaccumulator that will be built in Fomento and which, I repeat, will be the most important industrial installation of the province. [applause] Of course, there will be all the electricity Sancti Spiritus needs. We hope you will try to save it and not use it all. [applause] I stopped at the point when I was referring to the province's industrial development.

You also know that Trinidad's "Pulpa Cuba" plant, inaugurated in 1959, has been modernized and expanded during these years of revolution. A lot of work has been done in other smaller industries in the province. Likewise, in recent years the fishing industry production has markedly increased. Today Sancti Spiritus' fishing industry complex in Trinidad has 106 vessels where the fishermen work.

You also know that this province has a great tourist potential, that tens of thousands of foreign tourists visit this province every year because they come here looking for beauty, historic places, and the architectural style of the old buildings. This city was one of the first founded in Cuba. It is as old as Baracoa and Santiago de Cuba. Fortunately, the revolution had the opportunity to rebuild those historic values, the so-called historic shells, as Havana has done, Sancti Spiritus and Trinidad have also been doing. Our people with a greater culture now have the possibility of recognizing the importance of these values. Thus, tourism is one of the province's potential resources which has been developed and should continue to be developed increasingly more. Six hotels and motels have been built for international tourism, and the Ancon Hotel on that magnificent Ancon Beach, near Trinidad, which will have more than 200 rooms, is under construction and will be completed by year's end.

Also during these years we have worked on reforestation, with 50 million trees being planted. All these efforts -- in the economic development which is basically the one I have been referring to -- have caused this province's production to increase five times during the years of the revolution. With this information, I myself was thinking about which areas had grown the most.

In the area of agriculture [changes thought] the sugar industry in general, agriculture and sugar industry. [sentence as heard] This province's current sugar production is twice that reached during the years of capitalism, not only because sugarmills and fields have been expanded but because the harvest season is longer. Before, the harvest season was 90, 100, or 110 days. Now it is 130, 140, 150 days, even longer. We are doing much better in using the facilities, which have also been expanded.

I already mentioned what we did at the Uruguay sugarmill which was expanded to the equivalent of three sugarmills. That is, sugar production doubled. [sentence as heard]

Other kinds of production grew even more. For example, poultry production increased sixteen times. Egg production actually increased over 100 times. During that time, egg farms, not including the peasants' egg production, produced less than 1 million, around 500,000 or 600,000 eggs a year. Currently, 84 million eggs are being produced. So you figure out how much it grew. One can say 50, 60, 100 times as much and one is not exaggerating. [music heard]

What is this music about? [applause] Oh, the clock? Thank you for reminding me that I have been speaking about 30 or 40 minutes. I have to take this into account. I hope that does not happen every 15 minutes. Am I right?

[Unidentified speaker] Every hour.

[Castro] It happens every hour. Well, I will be glad to be reminded if I have not ended by then. [laughter] Well, swine production grew 18 times. Very importantly, rice production increased 18 times. That production has currently reached around 125,000 tons of wild rice a year. There is a rice field that produces over 1,200 quintals per caballeria. It has considerably increased the productivity per hectare. Comrade Bernal was telling me that this year it may surpass the 1,250 quintals per caballeria.

Construction material and cement production cannot be compared because cement was not produced here. It has increased many times. Not only construction material production but also construction projects have increased.

Now that the paper mill has opened, figure out what it is going to contribute when it is in full production. Later, we will have to add what the hydroaccumulators produce, etc. etc. I hope we can continue to grow the same way we have so far and, if possible, more.

I have talked about economic development. But there has also been an extraordinary social development during these years. If you are a little patient I can tell the people from Sancti Spiritus and our guests [applause] what the social development has consisted of.

If you want to, we can begin with education. This is very important for the young ones, for those students who are not always enthusiastic with their studies. Although the ones who have come here I believe have won awards because of their merits, the Augusto Cesar Sandino School [applause] received an award. I was telling them that I considered that a homage to the 7th anniversary of the triumph of the Sandinist revolution which was just commemorated on 19 July. [applause] Previously we did not have these healthy youths going to school the way we do now. On the contrary, there were thousands and thousands of 9-12 year old illiterate children. They were working under poverty conditions when there was work in the sugar fields and the countryside. According to historical data, the province had a 65-percent illitaracy rate. Over 70 percent of the children between 9 and 12 years of age were illiterate.

I do not believe anyone doubts that the situation has changed radically. Today the province has, I believe, 670 primary schools of different sizes, some large, some small. In the mountains they are smaller and sometimes isolated because it cannot be helped. The province has 44 basic secondary schools. I do not know how many it had under capitalism, but I imagine there were very few. The children did not reach third or fourth grade. It has 44 basic secondary schools.

The province has 12 preuniversity schools and 3 vocational schools, including the Camilo Cienfuegos School, a preuniversity school also, making a total of 15 preuniversity schools. The province has 19 technical and professional schools thanks to the effort made during these years and to the literacy campaign, there is no illiteracy in this province. Not having completed the sixth grade is to be almost illiterate. But fortunately we can say that the majority of the workers in the province have completed at least the sixth grade, and many have reached grades higher than the sixth. I will give more information on this later.

As a result of this effort, 97.3 percent of the children between 9 and 12 years attend school; 97.3 percent! Furthermore, 87.1 percent of the adolescents between 13 and 16 years attend classes in those secondary, preuniversity, and technological schools. Could we have dreamed of this prior to the revolution? Would it have been possible for all these young people who were born after the revolution to have this opportunity to study without the revolution? We would like them to think about this. Because the generation that preceded them -- their parents, uncles, grandparents -- did not have this possibility. They couldn't even dream of it.

You know well that only a few families could send their children to an expensive private school that was beyond the possibilities of the workers. Now there are laws that protect adolescents, sometimes even to an excessive degree. They establish the minimum age of 16 to go to work as a professional. Youths are protected, adolescents are protected. Many children used to have to drop out of school to earn a living some way, and sometimes they even had to beg.

In the province, there were no centers of higher education. They began to exist with the branch of the Jose Marti University, the first one where hundreds of residents of Sancti Spiritus have graduated. Then came the branch of the Higher Institute of Physical Education. Then came the Higher Institute of Economy. Then the branch of the Higher Pedagogical Institute, and then the Higher Pedagogical Institute itself, and now, the School of Medicine. [applause] In Sancti Spiritus, anyone who had spoken of this in 1956 or 1957 would have been called crazy. We now have a school of medical sciences where the doctors of the province are trained, and specialists are also trained, which is of great interest.

There wasn't a single special school in this province for children with problems. Today we have 24 schools with almost 3,000 students, and they are so necessary, so vital. The families whose children need these schools know how to appreciate what they are.

There was another great revolution in the field of public health. It is my understanding that in Sancti Spiritus there was an old building that had been converted into a general hospital, 7 first-aid stations, and 14 private clinics, that is all there was, with 182 doctors, which I suppose included those from the tuberculosis hospital which, when the battle against tuberculosis was won, was not needed, and 40 dentists, most of them in private practice. Who knows what the infant mortality rate was? It is estimated -- a very noble, very conservative estimate -- at somewhat more than 60 per 1,000 live births. It was certainly higher than that but statistics were not kept. The people died and the deaths of the children were not even recorded. In Sancti Spiritus, infant mortality may have been between 60 and 100 per 1,000 live births. Life expectancy was barely 50 years. That is how things were before the triumph of the revolution in this province.

What can we count on in this province, in this territory? There are 5 general hospitals, 2 clinical-surgical hospitals, 1 pediatric hospital with a modern intensive care unit which has modern equipment and is perfectly maintained, 2 obstetric-gynecological hospitals, 1 maternal-infant hospital, 12 rural hospitals, 19 polyclinics, and if I add the new Jatibonico polyclinic it would make 20, and 7 dental clinics in addition to the services rendered in more than 30 centers -- dental services are not just rendered in those 7 clinics but also in more than 30 centers. Now they have the hygiene and epidemiology center and the family doctor program to complete this scene. There is a new pediatric project. The cement has been laid. When an opportunity arises, every effort will be given to this.

There are certain deficits in Sancti Spiritus, Marianao. Ciego de Avila, and Vayamo. Those four projects have not received a great effort because of economic difficulties. However, the time will come when we will promote the construction of those new pediatric centers. Meanwhile, services are being rendered.

The family doctor has now appeared. If you have within...[changes thought]. Supplying the entire province with doctors will be delayed approximately 10 years. Since your university is new, few doctors are graduating. I think they have 12 in Fomento. [unidentified voice confirms that there are 13] There are 12 in Fomento, and there will be 20 more in Fomento. After Fomento has 20 doctors, Sancti Spiritus will receive its first 12 doctors. Escambray will have its moment. The mountains in Granma have their family doctors. [unidentified speaker's words indistinct] There are 17 doctors in Fomento, that is correct. At the end of this year, in October, all the mountain and rural areas of Guantanamo will have their family doctors. This is truly revolutionary.

You at the university will create what you need. If you like, I can calculate it for you. If there is one family doctor per every 600 ... If within 10 years -- I do not expect that you will grow that rapidly, there is no rush -- if you had 400,000 residents, you would need 800 family doctors plus a reserve. You have the faculty and you will continue to expand it and possibly receive aid from other provinces so that the movement can keep the same pace.

We cannot expect that you alone will train all those doctors, and we will have to give you some help, as it has been given to Granma, as it was given to Santiago, as it has been given to Guantanamo, as it was given to Havana, as it will be given to Santiago de Cuba, and will be given to Havana next year, because by next year we plan to have family doctors in all the mountains of Santiago de Cuba, and in practically all rural areas.

These are very important achievements. A total of 12 new specialties that did not exist before have been brought to the province. Maternity care centers [hogares maternos] have been established as well as other institutions that have made possible a fabulous thing: the reduction of infant mortality in the province. This rate had been dropping as it does throughout the country, but it was over 15 percent. However, during the first 6 months of this year -- that is, so far this year, I am not certain if it is up to 30 June...[unidentified speaker corrects Castro: "It now stands at 10.3 percent"] Good, I am glad, today, 26 July; that is excellent. You had already heard what it was before I did not have today's figures. The rate was at 11.2 percent.

We can tell Mr Reagan about this so he might stop talking stupidities and foolishness, as he usually does. During some petty political meeting over there in Miami in support of one of those candidates, he said that someday our people might work in freedom. To talk such banalities at this stage -- that is idiotic, it makes me laugh. [applause]

But I can tell Mr Reagan: Just imagine how freely these people have worked, and without having done everything they should have. The truth is that it has not been so much a question of working in freedom, as it has been one of freedom of not working all that is necessary. I can tell Mr Reagan that right here in Sancti Spiritus, in this province that is one of the poorest ones of the country, there was...[changes thought] This was one of the poorest and most backward provinces, where 65 percent of the population was illiterate. Today, there are fewer illiterates here than in Washington, and fewer illiterates than in New York. [applause] It is then inferred that it was necessary to work, as we have worked in these yars. I repeat, we have not worked as much as we should have.

I can also tell Mr Reagan that in Sancti Spiritus, there is a lower infant mortality rate than in New York and Washington, than in the United States. [applause] To commemorate with all dignity this 26 July, this province has a rate of 11.2 percent, and today, 26 July ... [corrects himself] yesterday, 25 July, there was a rate of 10.3 percent. [applause]

The United States has a higher rate. That is why I am saying we are going to beat them. We are going to leave them far behind, in health rates, in the outlooks of ... [changes thought] I can also tell Mr Reagan that thanks to the revolution, life expectancy in Sancti Spiritus Province now stands at 75.3 years, [applause] and we are going to continue improving this. Just wait until we have more experience, when those hospitals are operating fully, when we have a family doctor everywhere, in the rural areas and the cities. Just wait until these rates start dropping.

There are certain factors that might exert an influence. However, just the fact we have reached those levels is truly astonishing. I also know you have worked hard these days in prenatal genetic laboratories, and that will help discover in time any congenital malformations that might result in interrupting a pregnancy. This will prevent the tragedies that some families have to suffer. All this will help reduce infant mortality.

In addition, the provinces's cardiology center has been inaugurated in Santa Cira, not far from here; and the William Soler Cardiology Center will be inaugurated next August in Havana, to provide service at the national level concerning cardiovascular surgery for children and thus save many lives. We will establish other health programs and, based on your example, we do not doubt that one day we will lower that 10.3 percent. Well, this will turn our country into another power. Could anyone have dreamed about this in 1958 or 1957? Did capitalism do anything in this country? Fat chance! What has it done elsewhere? What have they done for the countries where they have their capitalism, the capitalism which Mr Reagan adores so much? That is the capitalism of the big landowners, the machete plan [plan de machete], hunger, unemployment, disease, and illiteracy.

Well, we have achieved extraordinary social progress. We have developed our people's general culture; the 8 municipalities in this province have 10 modules, their own cultural modules from 10 institutions -- all 8 of them. [laugh] I think that you are more advanced than the rest of the country in many things. Let me tell you: Havana does not have this index of infant mortality; it is under 15 percent this year... [corrects himself] right now, but yours is much lower. Granma was even lower, with 11.1 percent; I believe that the struggle will now be between you and Granma, because you have the lowest percentages in the country. Two of the poorest and most backward provinces [laughs] with an index far below that in the United States.

Well, we said that you had cultural modules in all the municipalities. The library... [changes thought] there was one library in Sancti Spiritus Province... [corrects himself] throughout the territory of this province. You now have 14 with approximately 200,000 volumes; 616 groups of amateurs with 80 physical education instructors. You may wonder how I can remember these figures but, let me tell you, these figures are impressive. If a person is used to handling these figures, and then sees a figure like this and remembers what is happening everywhere... [changes thought] there are many countries... [changes thought] 200 children die during their first year in many Latin American countries for every 1,000 who are born there. In other countries it is 150 children, or 100 children; nothing like the levels that have been achieved in Cuba. No, no way. That is why one remembers these figures; that is logical. We constantly read the news from other countries concerning unemployment, illiteracy, etc.

Sports have been developed. Can anyone deny this? Does anyone doubt this? There were 66 sports installations, and we now have 504 installations. Sports are really an activity for the masses. You are quite developed in this, you have developed baseball a lot. You should develop other sports, too, not only one; for example, soccer. The installations can be used for this Pedrito Miret, who is a soccer fan, would be enchanted with this.

The few people who defend soccer should be more. You have built the Cabaiguan Stadium with lights and all; and the one in Yaguajay, and in Jatibonico. I also know that you are impatiently waiting to see the one in Sancti Spiritus completed. [applause] As a result of this economic and social development, the province's employment levels have increased. Let us see, if there were 40,000 jobs in 1958, according to the latest figures, there are now 163,800 jobs in the province. Perhaps Joaquin will say that this has increased in recent days; he may say that it rose to 164,000 on 25 July. New things happen every day; new things are being built, new acitvities are being carried out. The employment index has increased four times; consequently, the population increased 40 percent, and employment increased 300 percent in Sancti Apiritus. The population increased 40 percent and employment increased 300 percent [repeats himself].

Women joined the work force; this offers new opportunities. Consequently, more than 50,000 women have joined the work force nowadays, and 32 percent of the work force is comprised of women. Furthermore, 53.4 percent of the technicians in the province are women, who work as nurses, doctors, teachers, engineer, [applause] 53.4 percent. They are a majority in the technical sector; that is quite an achievement. We might ask if this is the situation in the United States, and who knows what they would answer; we might also ask if this is the situation in the other Latin American countries. We could ask Mr Reagan what he knows about this, what news he has about this -- given that he is so worried about us.

More than 22,000 workers of the 163,800 who are working in this province are technicians, and 8,400 of these have a higher education; in other words, they have graduated from universities and higher institutes. These are evident results of the efforts exerted here.

There is something that I forget to mention, [laughs] and now I am seeing some buses over there and they reminded me of transportation. I do not want anyone to get angry because they may think that I have underestimated that sector or forgotten it. I recall that this province had 60 buses. Approximately 10,000 [number as heard] trips a day were made. Today we have 8 times that number of buses and 14 times the number of trips per day. The people of Sancti Spiritus travel at least 14 times more than the people who live in the capital city. Then we have the school buses; there are at least 170 school buses in this province. However, this is not the only area in which the people of the province have worked. No.

The cooperative movement is developing; the results are good. There are 71 cooperatives. Approximately 55 percent of the land that does not belong to the state belongs to cooperatives. Production has increased considerably. Of the 71 cooperatives 57 have power. Several thousand houses have been built, and we hope that this cooperative movement will be promoted as it deserves and needs to be.

Lastly, a very big effort has been put forth in the area of defense. We had the honor of presenting the ready for the defense flag here. A few days ago Companero Raul inaugurated an important training center for the Territorial Troops Militia [MTT] and I know that one out of every three inhabitants -- everyone included -- is active in the militia. I am including the children, they cannot be militiamen, but they are counted among the 414,000 inhabitants of the region, and one out of every three inhabitants are active MTT members, or members of the production and defense brigades, one out of every threee inhabitants. The entire province is ready for defense, every municipality is ready for defense, every zone is ready for defense.

Companero Bernal was talking about this a while ago: He said that there are now shelters for practically the entire population of Sancti Spiritus -- in the schools, factories, everywhere.

In other words, this has been taken seriously. Take note of this, too, Mr Reagan, take note. No one can threaten us! [applause] No one can threaten us!

We have spent lots of energy and resources on this; do not forget how much has been spent in this project of the revolution -- sweat, energy, resources of all kinds. We have had to spend enormous resources in the defense throughout the country. Had it not been for the imperialist threats and aggressions, all this could have been invested in constructions, houses, schools, factories, etc.

Mr Reagan, we have taken not of this, of the sacrifices that the imperialism has forced upon our people with its intentions of maintaining its hegemony over the Latin American and Third World countries.

To all of this we must add, and it would not be right to forget it, the enormous efforts made by the Sancti Spiritus Province on the occasion of this anniversary, the 33d anniversary enormous efforts. I have mentioned some of the things, but have not been able to speak of all of them, nor would I have the time to speak of all that the people of Sancti Spiritus have done in these past few months. Dozens of very important projects and hundreds of other kinds of projects. These include the effort made to finish the construction of the school of medicine -- and it is all but practically finished. I went by there, and I saw the students and all that. It is a beautiful school of medicine.

They also made a huge effort to finish building the airport; the expansion of the airport. We hope that they will continue to work on this airport and that soon it will also have lights, so that the people of Sancti Spiritus can travel by plane during the day or night.

We have also seen the efforts made to finish the EIDE [School for Sports Beginners], to finish the 12-story building, the 10 apartment buildings, the cleaning of the El Yayabo Rive, the first phase of the aqueduct system -- and I understand you have accomplished this. I have heard that the 180 liters per second you were supplying has been increased to 600 liters per second. You are better off than Havana. In Havana we do not even get rain. No rain, and that is putting it nicely. We have had drought after drought and this spring has been a dry one.

They do not have the privilege there of having these rivers you have nearby here, but it is great news that they have the rain. The little companera read what you had done and perhaps this is one of the most important works there is. The airport is important, and so is the 12-story building, and the EIDE. Regarding the EIDE, I think you have the highest per capita sports registration of any province in the country with this school with an enrollment of 1,000 students. Who would have dreamed of this? But this is really great news. The province has made an intelligent effort. Well they were given a certain amount of money, and they used it for classroom purposes to implement this double session [doble sesion].

Sometimes, in some years, they only had a 14 percent students enrollment in the double session system. [applause] You had already reached approximately 55 percent in the double session system. You will take a giant step, from 55 percent to 99.2 percent, in this system in the next school term. [applause]

I believe that no other province in the country has that percentage. We would have to compare it to Havana or Matanzas, but I do not think either of them has really taken such a giant step, with such tremendous inplications for education. A special effort was also needed in the field of education, that is, in the sense of quality. It was a big jump in quality. We have undoubtedly progressed. We cannot deny that. However, we cannot be satisfied with what has been achieved. We still have some gaps in education.

You have seen what has happened, when the secondary school tests and the pre-university tests became more demanding, because of laziness and tolerance have existed ever since awards were granted based on the number of students who passed. The quality of a professor was measured only by the number of students who passed, not by the quality of his classes and the demands he made. That is how the quality of a professor should be measured. As a result of this, there were students who earned easy grades. There were very kind professors who sometimes passed the test material on to the students. The student who was not a fool could figure out what was most important and then devote his attention to that.

There was always some sort of guidance in the classroom, but that does not really help students to study hard. Now, more demands are made. Now the professors giving the tests are different professors. The tests are more difficult, and, as a result, the passing rates in certain provinces are low. In Havana the rate was about 69 percent, in Santiago, approximately 70 percent, for both secondary school and pre-university. A situation had developed which we analyzed carefully.

I am afraid that it is not only the fault of the students, but, to a great extent, of the professors also. Taking this situation into consideration, it was decided for once -- and only for once to increase the demands at schools. Therefore, we have an entire year ahead so that everyone will know that the demands in schools are increasing, and will continue to increase. This is a problem that was brought up at the third congress, that is, the need to make the schools more demanding. There was a gradual increase in this. Before, a student could be promoted with two failures. Later, he could be promoted with only one failure, but now the student is not allowed to fail. This demand level is necessary for development, necessary for the future of the country; it is necessary that we require more all the time in education. That is why the decision was taken now.

One month will be given for studying before the make-up test. The ministry has already issued the instructions: Prepare the students to prevent their...[rephrases] to avoid their getting the blame in this case. Give them another opportunity so they can study hard during their vacation time; study hard because the tests are going to be hard. The students who did not pass last year, should then be able to pass, and a certain amount of time should be given to students, relatives, teachers, everyone, so that from the very first day of classes, of the academic year, they should begin a demanding schedule.

The fact that we already have a double session system, weakens us, aside from the fact that it creates problems at home, as there are some children whose parents are working and the children are wandering the streets. [sentence as heard] No longer will there be primary school children wandering in the streets at a time when they are not in class. They will have more time to get involved in organized activities, to read, study, participate in athletics, etc. That is why you are at the vanguard. You have already been outstanding in recent years in primary school education, and now with the two sessions, you will be able to defend the position you have reached. It is going to help you very much in the secondary schools, the pre-university, technical, and professional schools, in the university. It is an important achievement, and very good news. You gave me the album, and I must say I really appreciate this gift very much.

As we say in the National Assembly and elsewhere, we have been trying to find resources for the eastern provinces, which were the most backward in this sense. You have shown here that it can be done, and without great resources. If with only 2 million [currency not specified] you have completed projects which are worth almost 4 million; [applause] you only had a budget of 2 million, how did you manage to perform this miracle? You have completed projects worth 4 million with the support from the masses, the workers, the people, with the work and cooperation from the people.

Here you have an example, an example [repeats himself] that volunteer work is golden, [applause] that the cooperation from the people is golden, [applause] because you have managed, you have managed to build 20 schools, 20 schools in a few months. I see that those 20 schools have 162 classrooms. In addition to that, you have build 250 classrooms for double sessions. In all, you have built 413 [as heard] classrooms in a few months -- we could say in a few weeks -- with the cooperation of the people [applause]

This demonstrates that this is the way to truly build socialism. Are we going to speak now about the nonsense or foolishness that only with money or by waving money at the people [can we] move them to achieve these feats? Lies! People are corrupted and alienated in that way, as capitalists do with workers. In addition, 71 classrooms for educational workshops, for work training [education laboral] 56 libraries, and 52 sports areas were built, we could say, in a few weeks. This truly deserves recognition and admiration. I am not going to say that everything has been perfect in this province, far from it, or that work these years has been perfect. I am fully aware that this has not been the case. Some of the widespread foolishness also happended here. We have to speak the truth. This is not the province's fault. We cannot fault the province for that. If there are some highways -- and I am familiar with them because I have visited all of them at one time or another, I have visited all of those projects; I visited the Zaza Highway several times when it was under construction. [sentence as heard] In Lebrije -- in fact, I was reminding (Quino) of the night when the workers saved that dam which was under construction by using sand bags. Building and building quickly, [applause] building quickly [repeats himself] and closing the duct [vaso], because that dam, worth over 100 million [currency not specified], was bursting, and had it burst it would have collapsed, but the workers saved it! There, early in the morning, in a torrential rain, and in the mud, at the edge of the sustaining wall they raised the dam with sandbags. Now I know when these dams were built. Other times came later, other concepts, other views, which were mistaken. We had to spread the budget a little for each project. And so, the Iuinicu dam is already giving us water for 15 million [units not specified]. It has already been in operation for 10 years. I know that some projects have been stalled. The Pitajones-Meyer road, which was begun on several occasions -- the bridge had already been built as well as everything around that area -- has been stalled for 10 years. No one knows why. Then came the administrative political division and the theories. No one knows what happened to that bridge. Before leaving Sancti Spiritus, I hope to find out a little about what became of it.

I visited that highway several times, the one we had planned, linking Yaguajay, Chiquima to here in Sancti Spiritus, the famous road from Fomento to (La Sierpe). Now we know what the difficulties are. In (La Sierpe), we have to build a bridge. As a matter of honor, we will have to begin the work as soon as we can. In Pitajones, let us seek some resources to see if we can link Yaguajay with Sancti Spiritus. Let us see what can be done with what we have. Still, some real stupidities existed, to the effect that these roads were not needed. The bridges, a few here and a few there were like gypsies running from one project to the other. A few pesos here, and there, and there. All that nonsense. Still, I have the deepest faith that we will be able to overcome this with our ideas about a constant building process.

I was telling Comrade (Quino), and I advise all Sancti Spiritus residents now, that immediately after these celebrations are over, they should go quickly back to work again. [applause]

We have to finish these projects. We have to finish that building [not further identified], the others, and what remains to be done, the small details of the medical school.

We have to continue working in everything, everywhere, in aqueducts and the rest. Do not begin any new project; instead, continue with the exicting ones and conclude them in the next months. One should say that this and that project has been concluded. That is what counts, do not just go by the number of unfinished projects, because some unfinished projects such as the nuclear power plant, Moa, and the hydroaccumulator take years and will increase the number of projects under construction, rather, not the number, but instead, the number of millions [not further identified] under construction. All projects that are completed are an important statistic, a building there, the EIDE. We should not return to them. Finish the medical school facility, and so on with all the other things. Finish the polyclinic center. If you build a children's center in Yaguajay, finish it. Do not spend 2 or 3 years on it. I hope that one day we will return to making highways that way. They are initiated and completed in 1, 1 and 1/2, or 2 years. If a dam is begun, it should be completed in 1 and 1/2, 2, or 3 years, or it should not be started. We should only initiate the projects that we plan to complete. To fail to do this is crazy, and furthermore, it is degrading.

We have an overpass here and peasants pass by and are confused by it. Those peasants can be easily deceived but would not be if they are smart, because they can see beyond that. However, that overpass, constructed years ago, is a momument to stupidity because it has never been used. Sometimes, when we are on the highway, I see that overpass without approaches and I wonder: Who was the madman who did this? An overpass without approaches.

I have struggled to make the people take advantage of all of the overpasses, to complete the approaches. Unfortunately, no one wants to waste time doing that because when the highway was new, an overpass was made even over the Zaza. We cannot call on the highway construction brigades to do this, because they are also a work force reserve to do the groundwork for important industrial projects. They must work on airports; at present they are working on an airport in Baradero, a tourist in Matanzas where they are working on a highway, with a view to the country's foreign exchange income, which is very important.

Very well, but during this time these brigades built the overpass, continued and built the overpass over the Zaza. Now we cannot tell them to continue onward. We must tell them to come back. They have made one path, now then they must make the second from Santa Clara to here, complete, painted, and pretty. After that they can move backward and complete the highway between Havana and Caraiguan so that one day that highway will be complete. They must do this before continuing onward, because it is not worthwhile to move forward without consolidating what is already there. We must see if one day we can at least have a two-lane road from the highway to Santi Espiritus, because once you leave the big highway you get on this road and the jumping starts because the road is narrow. It is dizzying to travel on these roads. One gets the impression of being on a small, narrow asphalted path; that is how it is. We travelled on that road. I wanted to see the road and suddenly we found ourselves in front of the old central highway, which is as old as Methuselah.

I believe that it has been proven here that it is possible to prepare projects to broaden roads as you all have done. You have a two-way road; all who transit that other road, all who unfortunately must travel that road, when they reach Santi Espiritus at least can still entertain hopes of reaching the capital city alive, when they see that the horizon broadens in this city. It takes a great deal of ability to transit that asphalted threshing machine and still reach your destination alive.

I wonder how many springs have been broken on that road, and how much gasoline, time, and everything else have been lost. Allow me to tell you that I arrived in Santi Espiritus in less than 3 and 1/2 hours, in about 3 hours and 25 minutes, without speeding. I was thinking that the highway must be completed, at least this road which is the most transited. I repeat that hope is found in the midst of misfortune when one reaches Santi Espiritus. The day will come when you will have a two-lane road. We should make six double-lanes to Santi Espiritus.

During the past few days the province has debated national problems at the assembly with the different businesses, and the press has published the discussions, the problems, the difficulties, the errors that have been made. I say that the province is not exempted [of these problems] but its faults are few. That is a part of it. When a business is not going well it needs resources, unfair salaries are paid, many things happen. Therefore, the province has its share of responsibility, of course, but these responsibilities are not the province's fault. This province won fairly the right to host the celebration of the 26 July national ceremonies. The province earned this honor [applause] and some of the things I have seen are true feats, such as this effort to involve as many children as possible in the double session system. Some 320 children who live in remote mountain areas will benefit from this, which seems extremely difficult as the mountain areas are also in the process of developing. I believe that one day 100 percent of the children will benefit from the double session. That is why the fellow patriots in this province deserve admiration, recognition, and congratulations. The mass organizations, the party, the directorate of the party, and on their behalf, campanero Joaquin Bernal. [applause]

The bell is about to ring again. [laughter] Should I have known, I would have spoken a little more about Cienfuegos before discussing other subjects. We must move onto another topic now because I have already taken advantage of your patience and I want to discuss a few other things. [shouts, laughter]

We have progressed. That is clear. We have progressed must but we could have progressed farther and better. We have done many things in these years of revolution, but we could have done more and better things if we had been more capable, if we had been more numerous and better workers. If we had been more numerous and better revolutionaries. [applause]

In recent days we were talking and imparting many lessons about politics, political philosophy, and political history. We have not been able to stress and instill that the first duty of a revolutionary is work. Some have confused the revolution with the abolishment of work, as if man could liberate himself from work.

I have a 40-second delay. It seems that the batteries of the clock have been running down [laughter], 3 seconds, 2 seconds, 4 [music heard]. Good. If people really paid attention to the clock and were punctual in arriving at their jobs, [laughter, applause] if people paid attention to the clock and worked the hours they are supposed to in the morning without losing so much time in so many breaks and so many other things that are more explainable among hard labor workers than among office workers, those lunches that last 10, 15, 20, 35 minutes, 1 hour, if the people were not in such a hurry to leave when the end of the work day is coming, in short, if they worked as they should, how much more could we progress.

The work has become humanized. We no longer have 350,000 workers cutting cane, but instead approximately 80,000, or less. The machines now do the work. The rice is no longer harvested by hand but by combines. The land is no longer plowed with oxen. The machines have come. Carts are no longer used for transportation because there are trucks.

Men no longer break stones to build a road as they did for this central road, this path about which I was talking. It was built by hand, with picks, carts, and all that and not with the bulldozers, loaders, and the steam rollers that we have. We have a number of tremendous and fabulous pieces of equipment. There are 4,000 rubber tire and track-operated tractors in this province. What could all these resources mean if they were well used and if time was well used. We see that wealth will only come from work. It will not fall from the sky. We have had resources. We have not used them in an optimum way. That is why we were saying that we have to reach some goals and establish some principles. One of those principles is that the work day is sacred. It is necessary that we stress this. Everyone thinks things up to do during the work day, carries out errands, meetings, all sorts of things. I think that not a single meeting should be held during the work day. They should be held at the end of the work day. The principle that the work day is sacred must be the standard practice. [applause]

We have discussed this at length. We are involved in that battle. I do not have to go more deeply into this. Recently, the essential content of the meeting of the party's central committee was shown publicly on television. It was a promising and fruitful meeting. We have to firmly resolve to overcome all these negative trends and to undertake a jump in the quality of the revolution. You will see how many more and better things we can do. This is not only a moral necessity but an economic necessity. This process is being carried out in the circumstances of a tremendous economic crisis of the Third World countries in which the conditions of unequal trade have worsened. I will give you an example. A few years ago, some soft ice cream dispensing machines were purchased. As you know, it is a small piece of equipment that produces a frozen cream. All of you know what it is and probably like it, except for those who do not want to gain too much weight and so abstain from eating it. Many factories have that equipment because when we bought it we distributed it. That equipment cost $2,000. There was a little reserve that was used in different work centers. I ask: how much do the soft ice cream dispensing machines equipment cost now? Those soft ice cream dispensing now cost $8,000, four times more. When that equipment was purchased, sugar was at 8, 9, 10 cents. Today, sugar is at 5 cents. In other words, eight times more sugar must be produced to buy a soft ice cream dispensing machines. The same is true regarding the purchase of a truck.

I am talking about the relations with the Western capitalist world. That is not the situation of our relations and our trade with the socialist countries, which as you know is very different. We are not affected by that problem.

We have to import a number of raw materials, important raw materials such as those for the feed industry so as to produce eggs, poultry, meat, etc. We inevitably have to pay for specific expenditures, raw materials, and equipment with foreign exchange. The products that the Third World countries export increasingly cost less and all that they import increasingly costs more.

A bulldozer, -- I talked about soft ice cream dispensing machines -- a bulldozer at that time cost $25,000. Today it costs $80,000, $90,000, $100,000. Anything costs three, four times more. A truck, industrial equipment, a lathe, a factory are all increasingly more expensive. But that is not the case with what the Third World countries export. They cost increasingly less. This is a world tragedy, and not just a Cuban or national tragedy. It partly affects us, but it affects us. And the situation is getting worse. This year, the Third World countries will receive $150 billion less because of the lower prices of their export products. This is not only due to the drop in the price of raw materials, but essentially due to the drop in petroleum prices. I was making estimates, and every day, the industrialized capitalist world, which exploits the Third World so much, is now saving $400 million in petroleum; that would be enough to pay the interest of the foreign debt and, in the long run, the foreign debt. The developed capitalist countries are carrying out an atrocious plunder of the Third World through those mechanisms.

We who were not traditional exporters of petroleum had converted our savings of petroleum -- which you know we had stressed a lot -- into foreign exchange. Due to the price that petroleum had reached, we were receiving more than $400 million. It helped us to face this situation of the low prices of sugar, the ridiculous prices of sugar. Well, with the sharp fall of the petroleum prices, we are losing this year more than $300 million. This creates a serious difficulty for us. The sugar prices have not gone up.

The drought affected us by 1 million tons. Fortunately, Hurricane Kate affected us less. When I visited the sugar fields after the hurricane and when I saw the cane not only bent over but knocked down, twisted, and many stalks broken, I asked myself how this cane was going to be harvested. I wondered what kind of a yield we could expect -- in sugarcane and sugar. I must say that one of the positive things of these times, and one of the most extraordinary efforts put forth by our people in recent times, was seen during this harvest. A potential loss of 1.5 million tons was decreased to less that 250,000 tons, to less than 250,000. [applause] This was done with the hard work of our workers. I must say that when he decides to do something, and when we want to do [illegible]hing, we can achieve great feats. And our workers harvested that crop under those conditions. The last drought helped us some. Had the rainy season started when it usually does in late April, the loss would have probably been some 700,000 tons. However, our people with their efforts, and some help from mother nature, took advantage of that drought.

Despite all the efforts, this still represented 1.25 million tons of sugar that were not exported. This had nothing to do with lower prices, but we had less sugar to export. We did fulfill our commitments with the socialist countries. We are using less sugar in order to export it to the convertible area. The imperialists are trying to create obstacles for us, they try to block our nickel and other exports.

But this is not all. There is something incredible and paradoxical; when the dollar lost its value, the other currencies increased their value, and the imperialists, in an attempt to decrease their trade deficit, pressured their allies to revalue their currencies, their Japanese, German, Western allies in general.

When we speak of the price of sugar we speak of 5 cents of every dollar, and you can get up to $100 per ton of sugar. But since we do not import from the United States but from other Western countries, if their currency goes up we are affected. If in the past we needed $1 to purchase a Japanese-made product, today we would need $1.50. In other words, with the loss in value of the dollar and an increase in the value of the other currencies, if we were to purchase from the United States we would be paying less, but since we purchase from other Western countries whose currencies were revalued, we have lost approximately $150 million.

If you add here and there, you find that the country has approximately $600 million less. We knew we were headed for a dry season. However, the loss in value of the dollar and the terrible drop in the price of oil -- we were receiving more than 400 million [unit not specified] -- has caused serious damage to our financial situation and has placed us in a truly tense situation because our country had been accustomed to paying off all its debts. It is from this economic viewpoint that we are waging this battle. We would find ourselves waging this battle even if the price of sugar were to go up to $1. It is one of the most difficult situations we have confronted. This also coincides with a tense international situation.

There is a tense international situation. The country has had to live these years in a permanent state of alert, paying close attention to our defense, investing vast resources in defense. Because, fortunately, much of the revolutionary and patriotic spirit of the country that was not evident in the activities that we have mentioned -- in material production -- was evident in this area of defense, working, building fortifications, training, devoting unending hours to that task. We have had to live through very tense years, and we cannot neglect this front. We are nothing if we neglect that front and we weaken ourselves. That would encourage imperialism, that imperialism which looks at our country with respect and knows why it has to look at us with respect. [applause]

It is a tense and complicated international situation. The USSR and the socialist countries have made great efforts seeking an international detente, trying to prevent a catastrophic arms race that would increase and multiply the threat of war. Those efforts by the USSR and by the socialist countries have crashed against the reactionary and obsessive spirit of the current U.S. Administration, of the pressures ...[corrects himself] against the pressures of military industrial complex, hoping for an arms race that will provide it with high profits. The socialist countries and the progressive forces insist, and should continue insisting, on the struggle for peace. They will continue insisting, using the full weight of international public opinion against those who are responsible for this threat, this arms race, this enormous waste of human and economic resources in weapons.

We have seen how this warmongering, fascist spirit of the current U.S. Administration is expressed in the brutal and cowardly aggression against Grenada. We have seen it in the dirty war that it has been waged for more than 5 years against the heroic people of Nicaragua. [applause] We have seen it in the dirty war that imperialism is waging in alliance with South Africa against the brother people of Angola. [applause] We have seen how Reagan meets with the Somozist counterrevolutionary chieftains who are directing the treacherous counterrevolution in that country. We have seen how he meets brazenly with such individuals as Savimbi, whose criminal bands have murdered tens of thousands of men, women, and children in Angola. His bands sometimes wipe out entire villages, without respecting age or sex.

Those are Reagan's friends. That is the type of people Reagan likes to meet. We have seen his alliance with South Africa. We have heard his last speech where he completely removed his mask, that is, if he still had any portion of a mask left on him, in order to defend South Africa, [applause] that racist and fascist regime of South Africa, in order to oppose the enforcement of sanctions. That same administration is intensifying its criminal economic blockade against Cuba, is waging economic aggression, an economic blockade against Nicaragua. However, that administration takes pleasure in lifting the shield in order to protect South Africa from the economic measures, from the economic sanctions that the international community and the U.S. allies themselves are demanding. In that speech, Reagan went as far as saying that Mr Botha -- the Hitler of South Africa, the fascist-racist Nazi that rules that country -- had no obligations to talk with the ANC [African National Congress], because this was a group of terrorists, and -- he added -- communists. Reagan is describing as terrorists the African patriots, the patriots of South Africa, the black patriots of South Africa who have been confronting the fascist regime in a heroic manner and without any weapons. He calls them terrorists, and instead he describes as patriots the UNITA [National Union for the Total Independence of Angola] bandits who murder and massacre entire villages. He describes as patriots and freedom fighters the Somozists, the criminal mercenaries and counterrevolutionaries in Nicaragua, who have been armed, trained, and directed by the CIA, and who have also murdered thousands of men, women and children in that country and who have tried to destroy its economy.

Those bands [corrects himself] those mercenaries are champions of liberty and patriots for Reagan. That is the empire's logic, and in his demagogic and politicking speech -- recently delivered in Miami and no doubt he was referring to his hopes -- he said that liberty was on the offensive. The U.S. imperialism's treacherous and criminal actions are described by Reagan as a liberty offensive. Such aggressions and insults represent, in fact, an offense to liberty.

However, that is how the reactionaries and imperialists have acted everywhere; that specially is how the fascists have acted. The Nazis used similar arguments when they took over Austria, when they took over part of Czechoslovakia and then all Czechoslovakia, and when they attacked Poland, when they began their wars.

The empire's acts are described as a liberty offensive. In fact, the ones who are on the offensive, and have been on the offensive for some time, since the glorious days of the October 1917 revolution, have been the people [applause] the people who started the era which marked the emergence of socialism -- which keeps Mr Reagan awake so much at night. The ones who have been on the offensive have been the people, who were capable of annihilating fascism, even though they had to pay a high price; who were capable of annihilating colonialism and launching the independence of dozens and dozens of countries -- almost 100 countries -- during the least 40 years.

The ones who have been on the offensive have been the people in Europe and Asia, who were capable of carrying out the socialist revolution; the people who, like the Vietnamese, were capable of defeating Yankee imperialism, the people who, like Cuba, have heroically and gloriously resisted 27 years of imperialist hostility! [standing ovation] The people of Angola, Mozambique, and Ethiopia, who were capable of shaking off the yoke of colonialism and feudalism, the people of Nicaragua, who were capable of shaking off the tyranny [fumbles for words] the 50-year-old tyranny that was installed there by the U.S. imperialism and now defend themselves heroically, courageously, and successfully against the dirty war which is being waged by the empire! [applause] The people of El Salvador, who are an example without precedent in courage, capacity for struggle, and who have been capable of resisting all the imperialist maneuvers, and all the repressive actions of a genocidal government supported by U.S. imperialism.

The ones who are on the offensive are the people, everywhere; in Latin America they cast aside the yoke of tyranny imposed by Yankee imperialism. The ones who have been on the offensive are the Uruguayan, Argentine, and Brazilian people; the heroic Chilean people who, with their courageous and assertive actions [applause] have led Pinochet's fascist and proimperialist tyranny to a crisis. The people of South Africa [applause] the people of South Africa [repeats himself] who are practically unarmed and have provoked a crisis for the racist regime of apartheid by shedding a river of blood.

The reactionaries are the ones who are really facing a crisis; U.S. imperialism is the one facing a crisis. The people are on the offensive, and the idea that the crimes perpetrated by U.S. imperialism in its desperation are liberty offensives can only be the product of a sleepless mind which has lost all sense of reality concerning the world in which we live. [applause] U.S. imperialism attacks, aggresses; that is what it has always done, furious in its impotence, because it cannot stop the struggle waged by these people -- the ones we mentioned and many others.

We are an example of this truth. The commemoration of this anniversary in this province -- which has achieved considerable progress in a relatively short period of time -- this proves that those days have been left behind -- those days when the empire issued the orders and established the norms.

U.S. imperialism tries, in its desperation, to use its troops to exert internal roles in Latin America, as recently happened in Bolivia, where imperialism sent its helicopters and troops to take over internal matters, preparing for an intervention, under the pretext of a struggle against drug trafficking. The failures in the struggle against drug trafficking represent U.S. society's failure. It has no virtues, it cannot prevent corruption. There is another thing that we can tell Mr Reagan: Cuba has no drug problem; Cuba has no need to send soldiers as policemen to any place in the world to fight cocaine or marijuana or whatever -- because drugs are not imported in Cuba drugs are noted used in Cuba! [applause]

U.S. society is incapable of curbing the growing use of drugs, and this is why it wants to send soldiers to fight drug trafficking. Using this kind of reasoning, one day it will try to use nuclear weapons to fight marijuana and cocaine in the world. But the truth of the matter is that it is in the United States itself where they must put an end to the use of marijuana and cocaine. Then the drug problem in the world will have been resolved. [applause]

It was in this era and under these circumstances that our revolution and our process developed confronting these objective difficulties of an economic nature, as I explained earlier, of an international nature, as I have tried to explain in the past few minutes. These are difficult times but, when were times not difficult for the revolutionaries? There were, and always will be, difficult times for revolutionaries.

We faced difficult times 33 years ago, very difficult times. But no times have been too difficult for a true revolutionary to overcome. [applause] Also, we have always been willing to sacrifice rather than turn our backs on the banners of the revolutionary. We have upheld these banners against the empire for many years; we have prepared to curb the empire, and not only curb it, but defeat it should it attack us. We can overcome all difficult times or difficulties.

We are here in this province today. It is precisely in this province where one can breathe the air of struggle, the air of history, the air of legend. Since ancient times, since the times of the uprising of the slaves, since the times the early patriots began their work, since the independence war -- the first war of independence also touched this area -- this region backed men like [Carlos Manuel de] Cespedes and [Ignacio] Agramonte and it was one of the first regions to join the struggle of independence.

Illustrious men have been born in this region. Men like (Adonato Castillo), Serafin Sanchez, (Ramon Leocadio Bonacheda), and others; illustrious women who wrote glorious pages in our history. These were lands that witnessed Maximo Gomez' feats and his brilliant campaigns in 1868 and 1895, lands that witnessed the feats of the invading column and Antonio Maceo. In all the times, in the times of the colony, the struggle of the colony, and in the times of the Republic, this province was outstanding in its struggle against the injustices of the vassal republic, of the Yankee neocolony, in the struggle of its courageous workers and peasants. It was through this province that, during our last struggle -- our last and final struggle -- the glorious forces led by Che and Camilo came in [applause] and found solidary support, backing, and a large group of combatants willing to join the forces of the rebel army.

There was fighting going on in this province while we fought in Oriente. When the revolution triumphed, this province supported the revolution with ardor and confronted the counterrevolutionary and mercenary bands that imperialism organized in Escambray. The spirit of patriotism of the people of Sancti Spiritu shone in that struggle; in that struggle that cost many lives, sweat, and human resources; in that struggle that used much of the time that we needed for development. But today this same province is an example of the spirit of development, progress, and peace. The bandits learned their lesson a long time ago. They found out that those mountains, zealously guarded by the patriotism of the people of Sancti Spiritu, Cienfuegos, and Villa Clara, not even an ant can attempt to fight. They learned that lesson a long time ago, [applause] more merit for this province that invested strength and blood during the early years to repair the damage caused by that war. Here the people can speak of patriotism, firmness, heroism, courage; all risks and dangers can be challenged here. Here the people can speak of their difficulties just as the rest of our people in this country do. They can speak without fear of these difficulties. Here, we can find mothers, ascendants, descendants, brothers, family, and companeros, of the combatants who died during the attack on the Moncada. [applause] They are outstanding witnesses of how, throughout these 36 years, we have kept ourselves loyal to the principles and goals of the revolution; they have been outstanding witnesses of how our people confronted all obstacles, difficulties, and risks. It was a long time ago, but they were hard, very hard and very difficult days, when we were nothing more than a handful of combatants who embraced ideas we considered to be just and which history has proven were just.

Today we are no longer a handful of combatants, we are no longer a few dozen combatants. In this plaza alone we can count 100,000 combatants. [applause] Throughout the country we can count millions who with patriotic ardor and revolutionary fervor continue to embrace these ideas; ideas that until today have been victorious, ideas that will be victorious forever. These just ideas have demonstrated their strength and capacity to confront the most powerful empire this would has ever had; an empire located 90 miles off our coast, only inches from us in Guantanamo, and we did this with the faith of the most difficult ways, with the faith and security that victory has given us. Today we tell the imperialism and our enemies that our people will be able to surpass any obstacle, any difficulty, our people will be able to march forward and nothing will stop us. Our people will be able to surpass our own weaknesses, [applause] will be able to overcome our own defects, our people will be able to surpass our own mistakes. A people who are capable of overcoming their own defects, their own mistakes, a people who fear nothing, a people who do not yield to anything, are, and will always be, an invincible people. Fatherland or death, we will win. [applause]

D'ESCOTO SEES U.S. POLICIES AS GUNBOAT DIPLOMACY

PA292019 Havana International Service in Spanish 0000 GMT 26 Jul 86

[Interview with Nicaraguan Foreign Minister Miguel D'Escoto by Orlando Matos in Managua; date not given -- recorded]

[Text] [Matos] Mr Foreign Minister, recently the United States seems determined to change its international foreign policy of peaceful coexistence and respect for internatinal law to one of forceful impositions, which is a return to gunboat policy. I would like you to address this issue.

[D'Escoto] In reality, what you have said is very true. Under the present administration we are seeing -- for the first time, I would say, since World War II -- not only a disregard for the rules of coexistence established by law, because that has always been the case, but an effort to destroy put international law aside and impose the law of the strongest. This was quite clear during the invasion of Grenada. The fact the invasion took place was not new. I was not surprised because we have been invaded and occupied many times by U.S. forces. The United States is the quintessence of interventionism. That is the situation.

We have heard U.S. Secretary of State Shultz say -- and he has said this so many times -- that there is no effective diplomacy which does not contain the use of force as an essential element. Imagine that. He said this force, at the service of diplomats to increase their powers of persuasion, can include armed force. Imagine that, gunboat diplomacy as you said earlier, which the U.S. is justifying. Shultz says that only through the ability to use force in limited wars as a means of persuasion can diplomacy be effectively implemented. Well then, what about us? We cannot use it and we do not want to because we have principles. However, we are not able to. That means that the only diplomats who can use force are the Americans, who have the weapons and are willing to use them to impose their will, the will of the United States.

ORTEGA SENDS REGARDS TO MARK MONCADA ANNIVERSARY

PA290013 Havana International Service in Spanish 1800 GMT 26 Jul 86

[Text] Nicaraguan President Daniel Ortega has sent a message to Fidel Castro to mark the 33d anniversary of the attack on the Moncada Barracks and National Revolt Day. The message states: Moncada was the revived bugle call of Bolivar, Marti, and Sandino that, with Fidel, ratifies the will for struggle of the Latin American and Caribbean peoples.

AID TO SANDANISTS INCREASED IN RESPONSE TO U.S.

FL291336 Bonaire Trans World Radio in English 1130 GMT 29 Jul 86

[Text] A Cuban foreign minister says his country has stepped up aid to the Sandinist government in Nicaragua. He says the aid is to counter the $100 million in aid given to the contras by the United States.

CASTRO, ROMANIA'S CEAUSESCU DISCUSS COOPERATION

AU291638 Bucharest AGERPRES in English 1540 GMT 29 Jul 86

[Text] Bucharest, AGERPRES 29/7/1986 -- The first secretary of the Central Committee of Cuba's Communist Party, Fidel Castro Ruz, president of the Council of State and of the Council of Ministers, received Ion Ceausescu, first vice-chairman of Romanias State Planning Committee and minister secretary of state, on an official visit in Havana.

He conveyed the Cuban leader a comradely salute from the general secretary of the Romanian Communist Party and president of Romania, Nicolae Ceausescu, alongside wishes of health and prosperity to the friendly Cuban people.

Fidel Castro Ruz thanked and asked that his best wishes of health be given to President Nicolae Ceausescu, as well as wishes of prosperity and further successes in socialist construction to the Romanian people.

The continuing development of the bonds of friendship, cooperation and collaboration between Romania and Cuba was discussed during the meeting.

BAHAMAS

MARGARET MCDONALD NEW AMBASSADOR TO OAS

FL292002 Bridgetown CANA in English 1942 GMT 29 Jul 86

[Text] Washington, July 29, CANA -- Retired civil servant Margaret McDonald today presented her credentials as Bahama's Ambassador to the Organization of American States (OAS).

She presented here letters of accreditation to OAS Secretary General Joao Clemente Baena Soares and chairman of the OAS permanent council, Ambassador Pierre Sam of Haiti.

Speaking afterwards, McDonald, a former cabinet secretary, singled out the traffic and abuse of drugs among the pressing challenges confronting the inter-American community.

She urged the OAS to take vigorous steps in the areas of cooperation for development, capital investment, development of exports, human rights, and the promotion of democracy.

JAMAICA

DISRUPTION MARS MUNICIPAL ELECTIONS

FL300104 Bridgetown CANA in English 0008 GMT 30 Jul 86

[Text] Kingston, Jamaica, July 29, CANA -- Amid reports of chaos in municipal elections here today, leader of the opposition People's National Party (PNP) Michael Manley tonight accused his opponents in the ruling Jamaica Labour Party (JLP) of malevolent intention to undermine the new electoral system that aims at rooting out fraud.

There is very clear evidence that the idea of a free and fair election that is free from fear has already collapsed, Manley told reporters.

Whether the wishes of the people will survive remains to be seen, he added, pointing to what he said was absolutely massive intimidation of voters and electoral officers in six constituencies in the urban Kingston/St Andrews region.

Radio and eyewitness reports spoke of incidences where ballots were reportedly snatched and scrutineers and officials chased out of stations.

Manley said he personally saw JLP supporters intimidating electoral officials during visit to polling stations.

Opinion polls predicted a win for Manley's PNP, which is viewing the poll as a referendum on the performance of the JLP government, led by Prime Minister Edward Seaga.

BOUTERSE ON POLITICAL SCENE, REVOLUTION'S GOALS

PA282012 Madrid EFE in Spanish 0450 GMT 27 Jul 86

[By Marcel Roo]

[Text] Paramaribo, 26 Jul (EFE) -- Suriname leader Desi Bouterse wants to end the racial and ethnic conflicts in his country and give the former Dutch colony a structure of a nation.

During an interview with EFE at the Government Palace, Bouterse said that Suriname was divided by racial, religious, and ethnic criteria before the 1980 revolution that placed him in power. "We were living on a volcano and an explosion, a struggle between the racial forces, was threatening to cause untold damage to the country. Situations such as the one in Beirut and Sri Lanka could have happened here," he noted.

Johan Ferrier, the first president of the former Dutch colony after its independence, was deposed by the revolution in 1980. He was replaced by Chen A. Sen, while Bouterse became chief of the National Military Council. Sen resigned in 1982; Colonel Bouterse, who foiled a military uprising on that occasion, became Suriname's strongman.

Suriname is ethnically heterogeneous. Hindus, Indonesians, and blacks make up the leading ethnic groups and are the ones active in the political arena. According to Bouterse, one of the basic goals of the revolution is to establish a united nation by holding together all racial groups. Based on this principle, the revolutionary commander managed to incorporate into the government all of the parties that had been engaged in nonlegal opposition activities, momentarily eliminating a dissidence that responded more to religious than to ideological criteria. "The basic condition to reach understanding was that all parties agree that we are a country and not a number of ethnic groups dependent on others," he explained. In addition, he stressed that the traditional leaders must agree that there is a need to achieve true economic independence. Bouterse declined to make a direct statement about the possibility of calling free and honest elections. "We are talking about a new democratic model that includes elections. But these things must be established in the new constitution, which the people must accept or reject in a referendum within 9 months."

Suriname, a country with barely 350,000 inhabitants distributed over 163,000 km, is faced with an economic crisis evidenced by the scarcity of staples in shops.

Bouterse expressed optimism over the future, however, remarking that the most important achievement of the process has been the reduction of the unemployment rate to less than 20 percent.

Regarding the Netherlands' decision to cut economic aid to Suriname following Bouterse's assumption of power, he said his country had adopted a democratic system similar to the Netherlands that did not work." [quotation marks as received]

According to Bouterse, his model of democracy is based on the people's participation in the drafting of their own development plans, and announced that he has talked with the political parties to open the way to the creation of a coalition government. He admitted, however, that certain leaders did not participate in this dialogue, such as former President Sen, who is now pursuing opposition activities in the Netherlands, and Emile Wijntuin, who was an adviser to the colonel who later fled to Curacao.

Bouterse stressed that he cannot respect those who left the country and, "based on their fantasies, develop negative concepts in order to try to convince other foreign nations that the military and the revolutionary processes have to be eliminated."

Finally, Bonterse said that he would have no problem accepting a civilian government, providing its goal is to work for the country, "although I do not believe there will be a government opposed to the revolutionary objectives," he stressed.

NETHERLANDS PAPER INTERVIEWS RADHAKISHUN

PM291422 Rotterdam NRC HANDELSBLAD in Dutch 16 Jul 86 pp 1, 5

[Unnamed "own correspondent" report: "Surinamese Prime Minister Wants Talks With Lubbers"]

[Text] Rotterdam, 16 Jul -- A meeting with Prime Minister Lubbers and friendly relations with the Netherlands are high on the list of priorities of the new Surinamese prime minister, 50-year-old Pertab Radhakishun. However, for the time being there will not be a general election, according to last night's interview with Vara Radio.

Regarding a possible meeting with Prime Minister Lubbers, whom he described as a very important figure, Radhakishun said it does not matter who initiates the talks. "What is important is to talk," the new prime minister said.

Radhakishun said nothing about a possible resumption of Netherlands development aid to Suriname. Despite the statement from new Development Cooperation Minister Bukman that the Netherlands Government's attitude to Suriname will change only if the country holds elections, Radhakishun will strive for better relations with the Netherlands in the form of a "friendship plan." The prime minister appeared optimistic about the possibility of implementing such a plan.

The new government under Radhakishun will remain in office until 31 March 1987, when the transitional phase which began with the appointment of the Udenhout cabinet in 1985 will end. There will be no elections before April. According to Prime Minister Radhakishun, further work must be done on the new constitution before elections are held. "The outlines of the construction are already in existence and in the next 8 and 1/2 months we must see to it that a definitive foundation is created."

The Radhakishun Cabinet sees remedying the current economic situation and combatting corruption as important tasks. In the past, ministers and other high-ranking officials in Suriname are said to have been guilty, chiefly of violating currency regulations.

The new prime minister thinks that the new economic program has a good chance of succeeding. "The new government has a broad political foundation and as a result there is a better chance of implementing our plans than there would be if this foundation did not exist," Radhakishun said.

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SARNEY, ALFONSIN HOLD NEWS CONFERENCE

PY302110 Buenos Aires TELAM in Spanish 1656 GMT 30 Jul 86

[Text] Buenos, Aires, 30 Jul (TELAM) -- Argentine President Raul Alfonsin and Brazilian President Jose Sarney today agreed that it is essential not to turn the South Atlantic into a conflict area; that it is fundamental for the development of the two countries to overcome the scourge of hyperinflation; and that the integration treaty signed yesterday is open to all Latin American countries.

These were some of the more important issues addressed by Sarney and Alfonsin during a joint press conference this morning at the General San Martin Cultural Center, during which the presidents answered questions by Argentine and Brazilian reporters.

The presidents agreed that there is a specific will to carry out integration plans and to put aside the rhetoric that has prevailed for many years in Argentine-Brazilian relations.

Asked if the bilateral agreements would harm foreign companies, Sarney noted that foreign companies will continue to fulfill their role both in Argentina and in Brazil.

Regarding the role of workers within the framework of the bilateral agreement, Alfonsin said that because this is an effort to achieve cooperation and integration between the two countries, the working classes of these countries will play an important role in trying to achieve the objectives.

Asked if these agreements imply an immediate social cost for Brazil, Sarney said that this was not the case, because overcoming the barriers imposed by backwardness signifies a social achievement. He added: The philosophy of my government is based precisely on granting priority to the social sector. The ultimate goal of all these agreements is to improve the standard of living in our countries. Therefore, overcoming the barrier of backwardness is a social achievement.

Alfonsin said that Latin American countries should be firm in their position regarding the foreign debt, adding that in the Cartagena Consensus we specifically noted the importance of establishing a political dialogue within the framework of which we can explain our aspirations regarding financial and economic problems, as well as problems that fundamentally affect the development of our countries and consolidation of democracy.

I categorically agreed with President Sarney, said the Argentine president, that the only way we can overcome these international financial problems is through economic growth.

Alfonsin added that the only answer for Latin American is to grow because that is the only way our economies can develop and, consequently, fulfill our international commitments.

Sarney stated: We want the South Atlantic to be an area of peace in which our countries might decide to exploit sea resources.

Alfonsin added: We have greater possibilities of succeeding and achieving integration in the economic, financial, and technological fields, as well as in the political field. All of this will be part of a process of achieving the dream of those men who gave us our independence.

The Brazilian president noted that their position on disarmament has been publicly expressed in all countries and all international forums. Brazil does not have that much importance in the international arms market, it is quite small. We have been manufacturing arms for a long time, so as to avoid importing them and to meet domestic demands.

Alfonsin said: The Governments of Brazil and Argentina do not need to sign political pacts or agreements to inform everyone that we support the democratization of Latin America.

Alfonsin and Sarney agreed that Brazilian and Argentine businessmen will be the true protagonists of the agreements that were signed.

Alfonsin said: We are beginning to overcome the ghosts -- which like witches, do exist, as people say -- the ghosts of hyperinflation. We were confronting a truly serious situation. He added that we already know that this year we will grow, and we are determined to take the necessary steps to achieve economic development, which must be accompanied by social development if we are to speak of true development.

Regarding Brazil's trade commitments with the United States and the priority granted to trade agreements with Argentina, Sarney said: These agreements will strengthen trade relations between our two countries. He also noted: Everyone knows that the economy of today's world is integrated, but Latin America has yet to benefit from an integrated economy.

Regarding the great differences in Latin American economies, Sarney noted that the European Common Market is 20 years old and it has not yet been completed. We are just beginning.

Asked if an end to the military regimes in Chile and Paraguay would help Latin American integration, Alfonsin said: We do not wish to make any specific comment regarding any Latin American nation. We have simply said we believe that the presence of democratic regimes on the continent is necessary for integration.

Answering another question, Sarney said: If Argentina had been unable to create conditions leading to domestic economic stability through its Austral Plan, we would have been unable to achieve this second stage.

The Brazilian president stated that foreign companies will be dealt with in keeping with the laws of the two countries; we are trying to see if a binational company can be treated as a national company.

Alfonsin said it is well-known that during these meetings we have achieved an agreement that establishes close ties between the Brazilian and Argentine Air Forces and that talks are under way between the navies of the two countries. Alfonsin said: I think we have been able to overcome forever the mistrust between Brazilians and Argentines that may have existed earlier, but which now has completely disappeared.

Sarney said that the situation in Europe in the 1950's was much better than the one in Latin America today, but this is exactly why we should advance further, so we can pass rapidly through development stages. he added that we cannot remain idle in the face of poverty. We must seek mechanisms to overcome it.

He stated: I believe that the experiences of the European countries will also help us to avoid the same errors and to learn from their successes. He also said he agrees with Alfonsin that the state of armed conflict between Brazil and Argentina is buried forever. This is a time of love and not of hate.

Brazilian President Departs

PY302133 Buenos Aires TELAM in Spanish 2050 GMT 30 Jul 86

[Text] Buenos Aires, 30 Jul (TELAM) -- Brazilian President Jose Sarney departed for home at 1747 at the end of his 3-day official visit to Argentina. Shortly before the Brazilian Air Force plane left the Jorge Newbery Metropolitan Airport, Sarney stated that he had spent 3 very important days in Argentina. He said: I am leaving happy and satisfied with this visit, which has been very important, not only for Argentine and Brazilian economies, but also for the other Latin American countries.

Argentine chief executive Raul Alfonsin and members of his cabinet said farewell to his Brazilian counterpart.

GOVERNMENT URGED TO STOP CLANDESTINE STATIONS

PY291845 Buenos Aires TELAM in Spanish 2113 GMT 28 Jul 86

[Text] Buenos Aires, 28 Jul (TELAM) -- Evaristo Alonso, president of the Association of Argentine Private Radio Stations (ARPA), today issued a communique on the frequent appearance of clandestine radio stations which are either private or owned by municipal or provincial governments.

Alonso said ARPA considers it its duty to emphasize the need to put an end to this situation, which could only bring anarchy to electronic communications. Alonso said: To this end, the national government must resort to institutional mechanisms to enforce the laws, which are being violated by these unlawful actions.

The ARPA president added: It should be noted that this request is not prompted by an alarmist reaction, but by facts. If this trend continues, there will soon be more clandestine stations than legal ones.

The communique says that ARPA believes that instead of contributing to and strengthening our democratic institutions, this situation will undermine them. Only by abiding by the law, which can only be amended in accordance with constitutional procedures, will we be able to strengthen our institutions.

The ARPA communique concludes by saying that the operation of clandestine radio stations is not in keeping with federalist, democratic rights, but is detrimental to these rights because it means to contribute to fait accompli situations, to unilateral decisions, and to arbitrariness as ways to achieve a goal.

PRESIDENT TO ADDRESS CONGRESS 6 AUGUST

PY300002 Paris AFP in Spanish 1509 GMT 28 Jul 86

[Text] La Paz, 28 Jul (AFP) -- A firm pact between the ruling Nationalist Revolutionary Movement (MNR) and the conservative National Democratic Action (ADN) has been instrumental in determining the names of the lawmakers who will preside over this year's legislative session in the Senate and in the Chamber of Deputies, MNR and ADN leaders reported here today.

The opening ceremony of this year's session will be held on 6 August, the Bolivian independence day, when President victor Paz Estenssoro will read a message to report on the first year of his administration.

According to these sources, MNR Senator Raul Lema Patino will be elected president of the Senate; and ADN Deputy Willy Vargas Vacaflor will be elected president of the Chamber of Deputies.

Last year's session was presided over by Senator Oscar Zamora Medinacelli, of the Marxist-Leninist (pro-Chinese) Communist Party, and by Deputy Gaston Encinas, of the Movement of the Revolutionary Left (MIR) in the Senate and the Chamber of Deputies, respectively.

ALFONSIN SAID TO CRITICIZE U.S. TROOPS' PRESENCE

PY301952 Paris AFP in Spanish 1348 GMt 30 Jul 86

[Text] La Paz, 30 Jul (AFP) -- Jaime Paz Zamora, former Bolivian president and MIR [Movement of the Revolutionary Left] leader, said here today that Argentine President Raul Alfonsin has expressed his disagreement over the presence of U.S. troops in Bolivia to combat drug trafficking.

Paz Zamora, who met with Alfonsin in Buenos Aires a few days ago, said that the Argentine president is in favor of establishing a Latin American economic fund to combat the drug trafficking mafias that operate in Bolivia without resorting to the help of U.S. troops.

According to the MIR leader this Latin American economic fund may also help promote Bolivia's economic development.

Paz Zamora also said acting on his suggestion Argentine President Raul Alfonsin and Brazilian President Jose Sarney have included in their agenda the discussion of drug trafficking in the region.

FURTHER REPORTAGE ON MAJOR ANTIDRUG CAMPAIGN

PY291601 Paris AFP in Spanish 2356 GMT 28 Jul 86

[Text] La Paz, 28 Jul (AFP) -- It has been officially reported that the two antidrug operations conducted today did not produce any significant results and that the two Blackhawk helicopters that participated in the operations have returned to their base. The Interior Ministry, which is coordinating the actions of the Bolivian Police and the U.S. troops, has reported that the operations cover an extensive area of Bolivian territory within a radius of 150 km.

The report indicated that today's operation reached Santa Marta, but that no cocaine factories were found in the area. Information was obtained, however, to conduct new operations. The U.S. helicopters returned to their base in the late afternoon.

New protest demonstrations against the presence of foreign soldiers in the country demanding their immediate withdrawal have been held in several cities.

On 14 July a U.S. Galaxy brought 160 soldiers, 6 helicopters, and communications equipment from the 193d U.S. Army Brigade in Panama to help the Bolivian police in the so-called cocaine war.

Narcotics Office Bombed

PY291517 La Paz La Red Panamericana in Spanish 1130 GMT 29 Jul 86

[Relay from Oruro]

[Text] A bomb exploded at 0430 [0830 GMT] today at the door of the Oruro Departmental Narcotics Office located on Cochabamba Street, between Pagador and Velazco Streets, just a block away from the Topater Armored Battalion.

At 0630 Colonel Mario Vargas told me that the attack could have been in reprisal for the crackdown on the smuggling of sulphuric acid, which is used primarily for processing cocaine, from Chile to the Chapare region.

Police officials have announced that investigations are under way and that a detailed report will be released at noon today.

Factories Destroyed; Arrests Made

PY302306 Madrid EFE in Spanish 0155 GMT 30 Jul 86

[Text] La Paz, 29 Jul (EFE) -- The Bolivian Interior Ministry today reported that the Mobile Units for Rural Areas (Umopar) have destroyed nine cocaine factories, and that six drug trafficking suspects have been arrested in various operations in the last few hours. The cocaine-paste factories and the suspects were found in Chapare and the areas bordering Cochabamba Department, 403 km east of La Paz.

A factory in the so-called "Senda 3" sector was discovered while in the process of manufacturing cocaine, but the police forces who participated in the operation with the support of a Bolivian helicopter were unable to arrest anyone.

Police found at the site seven coca maceration pits, four bags of lime, and two containers of gasoline and sulphuric acid, all of which are used to process of cocaine.

Umopar troops also located eight other factories in which they found 1 coca maceration pit and 50 liters of enriched water.

These factories were burned in the presence of reporters who were at the scene. The operations were carried out in the Cochabamba provinces of Jordan and Punata and the troops confiscated 21,820 grams of cocaine base.

During these operations the special troops arrested Victoria de Ortuno, Eugenia Machaca, Zenaida Cardenas, Fausto Gonzalez, Felix Rojas, and Raul Peralta, all Bolivian citizens, who were in possession of cocaine.

Interior Ministry sources said that the antidrug police carried out a dragnet operation in the Beni district, northeast of Cochabama, but that it did not yield positive results.

Group To 'Expel' U.S. Troops

PY312336 Madrid EFE in Spanish 0128 GMT 31 Jul 86

[Excerpts] La Paz, 31 Jul (EFE) -- Labor unions, opposition parties and several well-known Bolivian public figures today created the "Board for the Defense of Nationl Sovereignty" [Junta Defensora de la Soberania Nacional], whose objective is to "get U.S. troops expelled from Bolivian territory."

A communique released by representatives of this organization stated that "first manifesto to the nation" on this subject will be released tomorrow, 31 July, at the headquarters of the La Paz Pressworkers Association.

The communique added that the "board" is made up of the Bolivian Labor Confederation [COB], the Trade Union Federation of Bolivian Mineworkers [FSTMB], the Single Trade Union of Bolivian Peasant Workers [Csutcb], and various opposition political parties.

It also stated that several lawmakers, retired military officers, priests "and men and women who believe in this patriotic cause (that is, the withdrawal of U.S. soldiers)" also belong to this organization. [passage omitted]

CONSUL GENERAL MEETS WITH PINOCHET, RETURNS

PY301818 La Paz La Red Panamericana in Spanish 1130 GMT 30 Jul 86

[Excerpts] Jorge Siles Salinas, the Bolivian consul general in Chile, yesterday met with Chilean President Augusto Pinochet. A few hours later Siles returned to La Paz.

An official of the El Alto Airport prevented newsmen from entering the VIP room, where Siles stayed for 15 minutes after his arrival. Siles announced thathe would not make an statement to the press, that he would do so only after meeting with Foreign Ministry officials. [passage omitted]

An EFE report datelined Santiago confirmed Siles' meeting with Pinochet. According to EFE, Siles termed the meeting with Pinochet a courtesy call and said that his trip to Bolivia was in no way related to this meeting with Pinochet.

FOREIGN MINISTER ON RAPPROCHEMENT WITH CHILE

PY301915 La Paz La Red Panamericana in Spanish 1130 GMT 30 Jul 86

[Text] Judging from remarks made by Foreign Minister Guillermo Bedregal, the rapprochement process between Bolivia and Chile is being conducted with great prudcence and caution.

Bedregal said that the process designed to reestablish (?Bolivian-Chilean relations) is being conducted with great prudence and caution to avoid sensationalism and misinterpretation.

Bedregal was thus commenting on press reports about a meeting he will hold with his Chilean counterpart in Bogota in the occasion of the inauguration of Colombian President-elect Virigilio Barco Vargas. Bedregal said tha no special plans have been made for this meeting. He said, however, that he, will be pleased to meet personally with Chilean Foreign Minister Jaime del Valle.

Foreign Ministry sources have reported that the meeting is scheduled for 8 August, the day after Barco's inauguration. The negotiations for this meeting are being conducted by Bolivian Consul General Jorge Siles Salinas with President Augusto Pinochet.

SOUTH KOREA DEPUTY MINISTER ARRIVES

PY291844 La Paz La Red Panamericana in Spanish 1700 GMT 29 Jul 86

[Excerpts] Foreign Minister Bedregal Gutierrez this morning met with the deputy prime minister of South Korea, Kim Man-je who has just arrived in Bolivia.

Kim visited the Foreign Ministry to convey his government's greetings to the Bolivian foreign minister. He said he is happy to be in Bolivia and that his visit is historic because the time has come for the countries of the Third World to strengthen their relations with South Korea. [passage omitted]

AIRLINE PILOTS GO ON STRIKE; MINES PARALYZED

PY301723 Paris AFP in Spanish 1351 GMT 30 Jul 86

[Test] La Paz, 30 Jul (AFP) -- Labor leaders today reported that Bolivia awoke today with two strikes: one of miners, which will mean the paralyzation of all mines; and the other of pilots, which has stopped all Lloyd Bolivian Airline (LAB) flights.

The strike affecting the nationalized mining sector is being held to pressure the government of Victor Paz Estenssoro to grant salary increases; to supply provisions to the Bolivian Mining Corporation (Comibol) general stores; as well as to provide for the economic rehabilitation of the cooperation.

According to Mineworkers Union Leader Simon Reyes, the mines are suffering such an acute lack of supplies that dozens of children may starve to death. He added that Paz Estenssoro wants to eradicate the state-run mining sector and transfer the profitable deposits to the private sector.

LAB employees are demanding the resignation of LAB President Agustin Saavedra Weisse, who they say does not understand the problems affecting the business.

PRESIDENT SARNEY ARRIVES FROM BUENOS AIRES

PY310110 Paris AFP in Spanish 0026 GMT 31 Jul 86

[Text] Brasilia, 30 Jul (AFP) -- Brazilian President Jose Sarney's plane tonight landed in Brasilia bringing the president back from Buenos Aires after his 3-day official visit to Argentina, during which he signed, with his Argentine counterpart Raul Alfonsin, several economic integration agreements. The Brazilian chief executive resumed power at the Brasilia military base where he was welcomed by his constitutional replacement for the duration of his absence, Senator Jose Fragelli, president of the Brazilian Senate.

FINANCE MINISTER COMMENTS ON PROTOCOLS

PY302253 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Jul 86

[Text] Finance Minister Dilson Funaro has assessed the main protocols signed yesterday by Presidents Sarney and Alfonsin during an interview granted in Buenos Aires.

[Begin recording] [Reporter] Minister Funaro, could you assess the agreements signed by President Sarney here in Argentina?

[Funaro] In the first place, these agreements are aimed at complementing the economies of the two countries. The government is creating an administrative [word indistinct], to participate in the growth of the Argentine and Brazilian economies. We are not agreeing to replace an existing market, we are taking complementary action so that the two countries can participate in the development process which will take place in Brazil and Argentina over the next few years, and this is the most important part of the government.

[Reporter] How will this investment fund operate? Will it also apply to the Central Bank? How will it operate?

[Funaro] The Argentine minister and I have already agreed on that. We do not want to create any kind of organization to manage these funds and projects. Only one Brazilian Finance Ministry official and one Argentine Economy Ministry official will be appointed, and the entire process, all activities, and the study of the project will be done through each country's development bank. Therefore, there will not be any organization to look after this process.

[Reporter] And concerning wheat, Mr Minister?

[Funaro] As for wheat, it means that if Brazil needs to import it will import from Argentina, depending on the price. Brazil will still give a reasonable preference to Argentine products. This will allow Argentina to program its internal production to some extent. This agreement will also permit substitutions: If Brazil, for instance, produces an excess of corn or wheat next year, it will take as a substitute another product that it needs. This agreement is intended to improve the buffer stocks of both countries, considering that the maintenance of buffer stocks is an important program for both the Argentine and the Brazilian ministries. Our economies are complementary, and therefore it is not necessary to keep stocks for the whole year, since the two countries have different production seasons. [end recording]

The minister also said that, in the case of wheat, this is the first step to help the government to acquire a more favorable buffer stock.

GUIMARAES PRAISES SARNEY'S ECONOMIC PLAN

PY300105 Rio de Janeiro O GLOBO in Portuguese 24 Jul 86 p 3

[Excerpts] Brasilia -- After several meetings with President Sarney and with ministers and experts in the economic area, Deputy Ulysses Guimaraes, president of the Brazilian Democratic Mobilization Party [PMDB], yesterday said: "President Jose Sarney would have been an unpatriotic man if, because of upcoming elections, he had failed, to adopt measures that are indispensable for the country." Ulysses recognized, however, that the measures have caused uneasiness within the PMDB, but said that in an attempt to neutralize the negative reactions, the party will concentrate its campaign on the freezing of prices, and it will explain that the purpose of its Plan of Goals is to consolidate the economic stabilization program.

The first meeting between the PMDB president and the ministers and government advisers took place during a luncheon at Ulysses Guimaraes' home. He reported on the pressure he had received through "anxious phone calls from several states." For that reason, he wanted to know the extent of the measures. Economists Joao Manoel Cardozo de Mello, Luiz Gonzaga Belluzo, and Luciano Coutinho (the latter is secretary general of the Ministry of Science and Technology and is now acting minister, since Renato Archer is abroad) explained that the Plan of Goals is "a necessary evil" to help reduce consumption. [passage omitted]

During the meetings with Guimaraes, the government representatives recognized that the measures would initially have a bad effect on the government, but they insisted that the measures are inevitable.

One of the ministers said: "Only a government which has a 90-percent popularity rating can risk taking measures that initially seem unpopular."

At first, Guimaraes and Senator Severo Gomes, president of the Pedroso Horta Foundation (belonging to the PMDB), seemed to share the candidates' belief that the measures would have a negative effect on the party. Later, the two agreed that the only course of action for President Sarney was to resort to what Guimaraes called "a kind of big savings account."

After the first meeting, Culture Minister Celso Furtado, one of the "notables" within the PMDB and a supporter of Guimaraes, made it clear that he did not participate in writing the Plan of Goals, but that the measures do not sacrifice the middle class.

Celso Furtado also said, practically repeating Guimaraes' words, that President Sarney acted correctly. He said:

A statesman must take that risk. He must face problems squarely while there is still time. Tomorrow, that problem in the area of finances might get out of control. [passage omitted]

Mixed Reactions Voiced

PY310143 Rio de Janeiro O GLOBO in Portuguese 24 Jul 86 p 3

[Text] Rio de Janeiro Governor Leonel Brizola stated yesterday that with the refundable tax the federal government has unfortunately broken the price freeze. He made this comment after listening in his residence to President Sarney's speech on television.

Brizola stated that "the nation must think more seriously about controlling the Sarney government and the groups that influence on him."

He said: The president has made it clear that he is implementing a package of measures that will burden the Brazilian people. He himself admitted that they are taxes. These taxes will first burden the middle class and then the entire population.

Other opinions:

Sao Paulo Governor Franco Montoro stated: "After the president's recent visits (to Campinas and Barretos) and after listening to and seeing the people enthusiastically applauding his measures in defense of the worker, I do not think that the image of the federal government of that of the PMDB can be discredited with these additional economic measures."

Ceara Governor Gonzaga Mota said: "President Jose Sarney's Plan of Goals consolidates the Cruzado Plan and his commitment to the social sector. With this measure, the president will increase even more the trend of his followers and admirers throughout the country."

Mines and Energy Minister Aureliano Chaves stated: "My ministry has had no participation in the adoption of the measures announced by President Sarney regarding the establishment of a refundable tax on alcohol and gasoline. We are neither the planners nor promoters of the refundable tax on fuel. We did not even participate in the studies for it. All these measures were planned by the economic ministries. Experience alone will tell us whether they are correct or not. I hope they are successful."

Mauro Salles, an advertising man and political marketing expert, stated: "It is still premature to analyze the popularity of President Sarney and his economic team in view of the economic measures. There has been such a change in mentality that it is difficult to foresee the consequences of the measures for the public image of the authorities."

Antonio Ermirio de Moraes, PTB [Brazilian Labor Party] candidate for Sao Paulo governor, said: "I do not think that these measures are motivated by political favoritism. Their purpose is to balance Brazil's finances within the Cruzado Plan."

Darcy Ribeiro, PDT [Democratic Labor Party] candidate for Rio de Janeiro governor, stated: "These measures will burden the middle class even more. What is happening is very curious: the sectors that have profited for the past 20 years continue to benefit. This plan will be changed so many times before 15 November that it will probably have a different name."

Miguel Arraes, PMDB candidate for Pernambuco governor, has said: "The final objective of these measures is to prevent a new uncontrolled inflationary process."

COUNTRY RESCHEDULES $31 BILLION OF PRIVATE DEBT

PY300010 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Jul 86 p 26

[By Paulo Francis, correspondent in New York]

[Excerpts] Fernao Bracher, president of the Brazilian Central Bank, yesterday signed an agreement with Brazil's creditors to roll over $15.5 billion of its 1985-1986 debt and to maintain $15.5 billion of its commercial credits and interbank deposits.

Brazil will have 7 years -- from 1985 to 1991 -- to pay its 1985-1986 principal, and in 5 years, counting from 1987, it will again be able to renegotiate that principal. The commercial credits and interbank deposits will be available until March 1987. All this will allow the Sarney government to go through the national constituent assembly elections without suffering much pressure from foreign creditors. [passage omitted]

In the agreement, a "spread" [in English] of 1.125 percentage points above the LIBOR rate is established. Put simply, Brazil will continue to pay between $8 billion and $10 billion annually in interest to bankers just to keep its credit-worthiness in the international market. Since there is not the remotest possibility that Brazil will amortize $105 billion of its 1985-1986 principle, it can be estimated that by 1991, Brazil will have paid $40 billion ($8 billion annually according to optimistic estimates) in interest on its 1985-1986 debt, and will still owe $105 billion of its 1985-1986 principal. It sounds like a joke, but it is not. [Passage omitted]

ARMY MINISTER OUTLINES MILITARY INVESTMENTS

PY302216 Madrid EFE in Spanish 2129 GMT 29 Jul 86

[By Adalid Cabrera Lemuz]

[Excerpt] Sao Paulo, 29 Jul (EFE) -- The Brazilian Armed Forces will invest approximately $250 million in 1986 in modernizing their equipment and in strengthening border regiments, Army Minister General Leonidas Pires Goncalves has reported. Gen Pires said that the current Brazilian military force of 197,000 men is small in relation to the country's 130 million people.

Pires said that by 1990 the Armed Forces will have between 15,000 and 20,000 additional soldiers and some new sophisticated Brazlian-made material. Brazil is at present the fifth world exporters of arms: It is even selling arms to Great Britain and to the United States.

The strategy of strengthening and replacing material is part of the Ground Force 90 Program (FP 90), which envisages the incorporation of 236 heavy armored Cascavel units into the Brazilian Army this year.

For this part, General Jose Alburquerque, chief of the material department, today said that the military plans to invest at least $250 million annually until the year 2015 to modernize the Armed Forces. Gen Pires said that although Brazil has no enemies, "it should have strong, well-equipped Armed Forces in order to negotiate agreements because no one seeks agreements with or fears a country that has a weak Army." [passage omitted]

SUPREME COURT ISSUES RULING AGAINST FRESNO

PY301957 Madrid EFE in Spanish 0411 GMT 30 Jul 86

[Text] Santiago, 29 Jul (EFE) -- The Supreme Court today rejected recent remarks by Santiago Archbishop Juan Francisco Fresno challenging the Court to take action on the torching case. In its ruling, the Supreme Court accused Cardinal Fresno "of inciting the public" and "undermining the prestige of the courts."

The court also announced that it will take "the required measures" and that it will adopt appropriate legal actions against the cardinal.

The Supreme Court ruling was not signed by Chief Justice Rafael Retamal because of his contention that when Cardinal Fresno expressed his opinion on the administration of justice he was exercising his contitutional right "to express his opinions through every means and in any way."

Justice Retamal also noted that the justices, as judges, cannot pass judgment on Cardinal Fresno's remarks.

On 26 July Cardinal Fresno criticized a decision by Judge Alberto Echavarria (who was acting as a special appellate judge), who heard the case of the two youths who were torched by a military patrol (according to witnesses), resulting in the death on 6 July of 19-year-old Rodrigo Rojas de Negri and in serious injuries for 18-year-old Gloria Quintana, who is still hospitalized.

After disqualifying himself from hearing the case, Judge Echavarria turned it over to a military court. Earlier, he had decided to bring to trial only 1 of the 25 military personnel placed at his disposal by the Army. The only defendant in the case was charged with manslaughter (negligent behavior).

In view of Judge Echavarria's decision, Cardinal Fresno said that "the prestige of the Chilean Army and of the courts requires that the necessary steps be taken to get to the bottom of the case so that justice may be fully done."

Reaction to Ruling

PY310207 Santiago Radio Chilena in Spanish 1700 GMT 30 Jul 86

[Text] Patricio Aylwin, vice president of the Chilean Bar Association and former Senate president, has said that Cardinal Juan Francisco Fresno has only asked the Supreme Court, in respectful terms, to use the necessary means to conduct a thorough investigation into the case involving the burning of two youths, so that justice may fully be exercised. Aylwin then asked the following question: Isn't this precisely the task of a Supreme Court? And why does it feel annoyed when reminded of this task?

Luis Ortiz Quiroga, lawyer and national adviser of the Bar Association, also referred to the Supreme Court's unanimous decision to condemn Cardinal Fresno's remarks. Ortiz Quiroga said that Cardinal Fresno's remarks are quite justified because they represent legitimate concern by all Chileans about a very important issue, the burning of two youths. This is what Ortiz Quiroga said:

[Begin Ortiz recording] I respectfully want to say that the Surpreme Court's statement, in my opinion, is not appropriate. It is absolutely groundless and seems rather to express personal feelings. It is not a statement based on solid arguments. The Supreme Courts president's statement is quite simple, and it seems to express disagreement with a statement which simply expresses the thinking of most Chileans. On making his statement, Cardinal Fresno was only making use of his legitimate right to dissent or to give an opinion, in accordance with the guarantees provided in the Consititution. It is not appropriate, therefore, to make any statement against it. I really think that the Supreme Court president's statement is inappropriate. [end recording]

According to attorney Ortiz Quiroga, the Supreme Court president's position should be that of receiving petitions, such as that made by Cardinal Fresno.

Jose Ruiz di Giorgio, vice president of the Christian Democratic Party and president of the Petroleum Workers Federation, has stated that the statement by the Supreme Court plenum shows how helpless the Chilean citizens are.

[Begin Di Giorgio recording] At this moment we Chileans are absolutely defenseless, and I think the time has come for the people in general to become aware of the need to reconstruct an autonomous judicial branch that will be really in the service of the nation and not in the service of the current government's interest. This is my opinion of the Supreme Court's position, and this is why crimes perpetrated over the past few years could not be solved, because those who are leading the courts have no desire whatsoever to learn the truth and end conflicts. I also think that Rafael Retamal is an exception. He represents the honorable judges, who are very few, and whose words unfortunately are not strong enough to change an institution which should be at the service of Chileans. [end recording]

Patricio Aylwin said that the Supreme Court statement shows a total lack of understanding of the people's loss of confidence in the courts. He added that Cardinal Fresno only expressed, respectfully and with high moral standards, the tremendous concern which has overwhelmed large sectors of the country, in view of the real scandal resulting from the horrendous crimes that have shocked the country over the past few years, and which remain unpunished. The courts seem unable to clear up the cases and uncover those responsible. Aylwin added that this undeniable fact goes against the moral standards of intelligent people, and the morals of spiritual leaders like Cardinal Fresno.

[Begin Aylwin recording] I cannot understand the judges' response to the cardinal's petition. The cardinal has not brought charges against them. He has just asked them in a respectful way to use all necessary means to conduct a thorough investigation of the case of Rodrigo Rojas and Carmen Gloria Quintana so that justice can be fully exercised. Is this not the task of a supreme court? Why is it annoyed by being reminded of their task? In view of the many lies overwhelming the country and the many crimes terrifying the people, to whom else but to the courts should, and must, the people turn to discover the truth and get justice? [end recording]

Aylwin added that when the court's answer is weak and frustrating, as has happened in many cases over the past few years, and the people are overcome by despair and indignation. Unfortunately, he said, they are also pushed into violence,

CNI EXPERIMENT UNDERMINES ARMY CLAIMS ON TORCHING

PY310315 Madrid EFE in Spanish 0134 GMT 31 Jul 86

[By Juan Jorge Faundes]

[Excerpts] Santiago, 30 Jul (EFE) -- "I am happy, I feel all right..." Carmen Gloria Quintana, the young woman burned by a military patrol (according to witnesses), said to today during a talk she held today with Chilean Cardinal Raul Silva Henriquez. The woman also displayed a "V" sign with her fingers. [passage omitted]

Carmen Gloria, who sustained burns on 62 percent of her body, is still hospitalized and has received several skin grafts by which doctors hope to save her life and improve her condition.

The Army confirmed with some delay that Carmen Gloria Quintana and Rodrigo Rojas de Negri were arrested by a military patrol. The Army turned over 25 military men (3 officers, 5 noncommissioned officers and 17 privates) to Judge Alberto Echavarria, who was at that point in charge of the case.

Echavarria released 24 of the military men and decided to try only Lieutenant Pedro Fernandez Dittus, the leader of the patrol. However, he did not charge him with the crime of burning the youths, but with negligence (a petty crime) for not having taken them somewhere for appropriate medical aid.

The judge also declared himself ineligible to hear the case and turned it over to the judge advocate. He also accepted the report of the involved military men, who claimed that while under arrest Carmen Gloria overturned a container of flammable liquid with her feet, thus causing the tragedy.

Dr Jorge Villegas, who is treating Carmen Gloria, reacted to this report, however, stating that this would have been impossible because neither Carmen Gloria's nor Rodrigo's feet were burned.

Paradoxically, the doctor's statements are now supported by an experiment that the National Intelligence Center [CNI] (political police) conducted yesterday. In this experiment an agent wearing a protective suit kicked a container similar to the one that the military men mentioned in their report. It contained the same type of flammable liquid. Photographs published in the newspaper LAS ULTIMAS NOTICIAS today show that the agent's foot caught fire immediately.

An officer explained that the objective of the CNI was to prove experimentally "what may have happened in the case of the burned youths."

The CNI experiment has given added strength to the arguments of Dr Jorge Villegas and has undermined the official report, because, as the doctor says, neither of the youths had burned feet as would have been the case if they had kicked over the container of flammable liquid.

HOY VIEWS GELBARD'S VISIT, TORCHING CASE

PY291759 Santiago HOY in Spanish 21-27 Jul 86 p 5

[Editorial by Emilio Filippi: "Assistant Secretary Gelbard's Visit"]

[Text] U.S. Deputy Assistant Secretary of State for South America Robert Gelbard came to Chile, spoke to government officials and members of the opposition -- as well as with representatives of various other groups -- and, at the time of leaving our country, explained his conclusions.

Summarizing, he sympathizes with all that is being done to advance toward democracy, but he pointed out that in order to make this advance real it is necessary to adopt immediate measures aimed at the reestablishment of fundamental freedoms, such as freedom of assembly, freedom of information, and the freedom to fully engage in political activities.

What has occurred is quite curious. Despite the insistent protests against foreign intervention in our country's domestic matters, all Chileans, whatever sector they belong to, were interested in making known to the U.S. Government envoy the reality we are experiencing. And this was due to the fact that, despite certain chauvinist feelings that arise from time to time, no one fails to recognize, deep inside, how important it is for our nation to be really part of the civilized world.

The old ideas which tend to isolate nations to satisfy misinterpreted nationalisms have been set aside in favor of modern concepts of broader integration and interrelation. The village concept favored by some belongs to feudal times and has been surpassed by history and by the developments of communications, science, and exchange. In this world we all need each other, and to a certain extent we feel that we have a right to enjoy the advantages of universal civilization. We share the destiny of mankind, we care for what happens to each other, wherever he or she still lives. From a political and social point of view, isolation is harmful and greatly affects the economies of the countries of the world.

On the other hand, we cannot be indifferent to the fact that abroad the Chilean situation is considered "a case." Since the current regime came to power, the image of Pinochet's government has had ups and downs. And if, at some time or another, there has been the hope of seeing this image improve, the accelerated rhythm of its recent deterioration shows how urgent the necessity is for change that has been deeply felt by all nations.

For that reason, the presence of U.S. Republican Senator Jesse Helms has filled with enthusiasm even the most naive spokesman of the military regime. Both the flattery of certain members of the media, and the illusion that the U.S. politician has great influence in the White House, have kept a smile on the lips of the most prudent Chilean officials.

From time to time there are politicans in the United States who choose the worst causes and boast of swimming against the tide of good sense, while sailing its most reactionary waters. They use sharp arguments to justify slavery, poverty, or lack of liberties, as long as this situation is contrary to a position which they classify beforehand as pernitious. Now it can be the "communist danger," which they detect even in confessed and militant conservatives, while before it might have been civil rights.

Senator Helms is one of those U.S. politicans. And he has come to help General Pinochet's administration. If it were not so tragic, one could smile complacently at such a grotesque and yet sad thing.

Fortunately, Helms is known in the United States and for that reason has received an adequate response. On the other hand, Ambassador Harry Barnes, one of the victims of his insults, came out of the conflict strengthened by the support he received from his government, from the opposition, and from U.S. public opinion.

La Moneda should meditate on this incident, on its limited perception of the international reality, and on its disdain for the opinions of the rest of the world.

The fact that the Army has recognized the responsibility of Army officers and soliders in the tragic case of the burned youths is part of this process. Thanks to pressure from the public and, to a certain extent, the interest of the United States in seeing the case clear up, the situation has become clearer. Only a few years ago this would not have been possible. We must not forget that at first the government and the representatives of the Army intended to deny any participation in the case. Only in the face of undeniable evidence, endorsed by eyewitness reports, did they correct this improper attitude.

The official version has yet to be elucidated. This version tries to make a reproachable deed look like an accident. It still has to be made clear why, if everything occurred the way they say it did, the military men took the bodies to another place and abandoned them there. We hope that the investigating judge now fulfills his duty with zeal.

Further Reactions to Gelbard

PY291727 Santiago EL MERCURIO in Spanish 19 Jul 86 p C-3

[Text] Several political leaders have reacted to remarks by U.S. Deputy Assistant Secretary of State for South America Robert Gelbard, who on 18 July ended a 5-day visit to Chile.

In a written statement, Gelbard said that "the United States support a peaceful transition to full democracy in Chile through the most efficient and expeditious ways." He added that "a transition toward democracy will be feasible only in an atomosphere of more freedom in which decisions can be made democratically."

The U.S. official said that "groups like the Communist Party, which today resort to violence to attain their political objectives, cannot be expected to abide by democratic rules in the future." He added that "those who consider the Communists and other extremists as valid interlocutors are not helping to build a stable democracy in Chile."

National Party President Carmen Saenz de Phillips said that "the statement by the U.S. official reveals that he has an accurate picture of our situation. He did not say much, but he listened to many people. One can see this in his remarks about the Communist Party. He said the Communists cannot take part in the political game because they have promoted confrontations."

Saenz de Phillips added that "we still believe that we should solve our own problems, as we have done throughout our history."

For his part, People's Democratic Movement (MDP) Secretary General Jose Sanfuetes said that "we categorically condemn the Reagan administration's open intervention in our domestic affairs, which once again has been proven by Mr Gelbard's visit."

Sanfuentes added that "the visit and the statements by Gelbard made it clear to the Chilean people that imperialism supports the dictatorship," stressing that "Mr Gelbard's attitude revealed a total disregard for the Chilean people and their democratic forces." The MDP leader said that the U.S. envoy "made considerable efforts to drive wedges within the opposition under the worn-out pretext of violence and anticommunism." Sanfuentes said he disagrees with Mr Gelbard's opinion that the Chilean Government's economic policy is "excellent."

In turn, Independent Democratic Union Secretary General Jaime Guzman said: "I believe it is important that Mr Gelbard said that to choose the best path toward democracy is the Chilean people's own, sovereign affair. In this regard, his opinion on the criteria that the U.S. Government considers the most suitable for the democratization process are based on a general approach. This is quite different from the remarks by other U.S. State Department officials who have openly and unacceptably meddled in our domestic affairs."

Guzman added: "As for his opinions, I share his concern over the possibility of a dangerous radicalization in Chile, and I agree that to avoid it the government must resolutely take all-encompassing measures in the path toward democracy, in line with the deadlines that the Constitution has established."

Guzman stated: "He warned that those who consider the Communists and other extremists as valid interlocutors are not helping to build a stable democracy in Chile. I believe this is good advice. I believe the Christian Democratic Party [DC] and its friends within the Democratic Alliance, who are always so eager to follow the suggestions of the U.S. State Department, should reconsider their ambiguous and hesitant attitude toward the Communist Party and its partners. This ambiguity is reflected by the multiple alliances between the DC and the MDP, ranging from electoral pacts in unions and universities to their links in the so-called National Civil Assembly."

In turn, DC Vice President Claudio Huepe said that "we are obviously interested in the U.S. envoy's opinion, because it reflects the views of a government of unquestionable influence in our continent. I believe the idea that the Chilean people must exercise self-determination is valuable and positive. I hope he realized that our greatest problem is that our fatherland is ruled by a government that bases its power on force and that does not allow Chileans to participate in the making of decisions that affect them." Huepe termed "unclear and worrying" the remarks by Gelbard as to whether "some political sectors, particularly the Communist Party, are legitimate, because this contradicts his own contention that it is the Chileans who have to make this type of decision."

"If this means that he believes the Communist Party cannot enjoy legal status in the future Chilean democracy, then it is unacceptable. We are the majority of Chilean political parties, even some rightist parties, have always maintained that ideas cannot be banned. We believe all parties should enjoy legal status. In addition, this is common to all Western demcracies. Strict laws should be enforced to punish violence, but this affects radical sectors of both the left and the right."

Huepe termed "positive" the U.S. envoy's remarks on the preconditions for a transition toward democracy, such as the existence of "a spectrum of full civil liberties."

For his part, National Vanguard director Jose Ramon Molina Fuenzalida said that "as nationalists, we hold self-determination to be one of the principles of our ideology. Consequently, we deem unacceptable that foreign government spokesman should pass judgment and give advice on our affairs." He added that "faced with such circumstances, the nationalist sector reiterates its rejection of foreign intervention and points out that the opposition is permanently seeking to submit our domestic affairs to foreign arbitration. This is an obvious consequence of the opposition's inability to play a significant political role."

Molina Fuenzalida said that "Gelbard's remarks on a peaceful transition to full democracy, through the most efficient and expeditious ways, show that he agrees and supports the constitutional transition process being conducted by the regime headed by his excellency the president. This process is being swiftly, efficiently, and seriously conducted."

"We agree that the Communist Party, the terrorist groups and those who promote violence are the enemies of democracy, because their principles and their actions are against it," he concluded.

CENTRAL BANK HEAD DISCUSSES U.S. PRESS REPORTS

PY292259 Madrid EFE in Spanish 1540 GMT 29 Jul 86

[Text] Santiago, 29 Jul (EFE) -- Chilean Central Bank President Colonel Enrique Seguel has downplayed the importance of U.S press reports of a possible decision by the Reagan government to oppose international loans for Chile. Col Seguel said the reports are just "speculations published by the press which have no importance whatsoever and no firm basis." The Chilean Central Bank president added that "the formal relations between the two countries are not conducted by reports, but by the organizations which traditionally handle foreign relations.

200 STUDENTS ARRESTED IN SANTIAGO

PY301325 Paris AFP in Spanish 1943 GMT 29 Jul 86

[Text] Santiago, 29 Jul (AFP) -- Police sources have reported that at least 200 student were detained today in this capital during incidents with the police at the University of Chile law school and at the Santiago Professional Institute. Other incidents took place on Vicuna Mackenna Avenue, in front of the Argentine Embassy in Chile, where groups of university students erected barricades to block traffic. The students were repressed by the forces of order.

Uniformed Carabineros raided the law school that was occupied early today by student demanding an end to intervention in the universities. Humberto Burotto, president of the Student Federation of Chile, has stated that the dean himself called the forces of order to evict the student from the school. Police authorities have reported that 110 university students were detained during these incidents, and that 90 others were arrested near the Santiago Professional Institute, where they were staging demonstrations demanding more state economic support for higher education.

VENEZUELA JOINS FORCES AGAINST REBELS

PA290315 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 28 Jul 86

[Text] Bogota -- Colombia and Venezuela have agreed to form a common front against subversive movements in the American Continent and have imediately begun to contact the defense ministers of Latin American countries. The initiative includes reciprocity of information and logistical integration; the strengthening of border control measures; and information about officials who fight the guerrillas which operate in the region.

Venezuelan Defense Minister General Jose Rafael Cardozo Grimaldi, who first thought about creating a front to fight the guerrillas, said that joint actions will also be carried out to fight drug trafficking, contraband, and kidnappings.

MINISTER JAIME CASTRO EVALUATES GUERRILLA FORCES

PA310341 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 30 Jul 86

[Text] Government Minister Jaimie Castro said that Colombia's current problem derives from public order situations due to the presence and actions of the guerrillas and to the terrorism in the past few months. Castro added that the new guerrilla plan is to destroy the current political system. He noted that, contrary to the first years of the subversive struggle, the current guerrillas are organized and have a hierarchy, with adequate training and an iron discipline.

Several sectors of the guerrilla forces depend on an international power center: there are outside forces who seek to promote or encourage it. In order to accomplish its goals, the subversion in the past few years has sought financing without any scruples or reserve, has resorted to extortion and kidnappings, and in some cases has reached economic agreements with drug traffickers, said Minister Jaime Castro in his report to the congress.

Castro warned that any peaceful coexistence disappears when citizens are subject to attacks, murders, war taxes, and kidnappings, which bring dangerous results such as people taking the law into their own hands.

The government minister warned the guerrilla groups that have not joined the peace process or that withdrew from it that Colombia has no obligation to establish reforms that will lead to its extinction. Castro said the state has the obligation to grant rights and guarantees which give equal conditions to all those who participate in public life. In his report to the congress -- which Emisoras CARACOL has received in advance -- Castro said that it is not possible to seek through agreements or covenants results the guerrillas did not accomplish with arms during 20 or more years of struggle. The guerrillas themselves have understood this. Therefore, their negotiators have said that through the negotiation process they do not expect to receive a socialist regime on a silver platter. They simply expect to be granted decent conditions to participate in politics, to present their thesis and programs, and to defend them, even if it is in a partial way.

BOMB EXPLODES NEAR PARLIAMENT, ONE PERSON KILLED

PA301929 Madrid EFE in Spanish 1848 GMT 30 Jul 86

[Text] Bogota, 30 Jul (EFE) -- According to initial reports, one person was killed and and at least three were wounded as a result of an explosion that occurred near the national capitol (Parliament) and the Presidency of the republic, in Bogota, today. The explosion occurred at 1244 (1744 GMT) on a street close to the Parliament building which is usually filled with thousands of pedestrians.

Security and assistance organizations went to the site of the explosion right away and eyewitnesses said that an unidentified person "was completely destroyed," while three others were seriously wounded. There has been no official information as to the number and condition of the victims, or the exact cause of the expolosion.

Journalists who cover Parliament said that it was a bomb placed by a tree on the sidewalk. According to other reports it could have been the explosion of a gas line. The security forces that protect public buildings in that area reacted immediately; several suspicious individuals were reportedly arrested.

A terrorist attack carried out at 0730 today also resulted in one Navy officer and the wife of an Army noncommissioned officer being wounded in a neighborhood in southern Bogota. The Popular Liberation Army has been blamed.

EPL DENOUNCES FARC STANCE, ELECTORAL AMBITIONS

PA301930 Panama City ACAN in Spanish 0012 GMT 30 Jul 86

[By Denis Garcia Salinas]

[Excerpts] Managua, 29 Jul (ACAN-EFE) -- The Popular Liberation Army [EPL] of Colombia has accused the FARC of having become "shock forces" and a group with electoral ambitions. The EPL, armed branch of the Colombian Communist Party-Marxist Leninist Faction [PCC-ML] also blamed FARC for 'promoting the demobilization of the Colombian guerrilla movement." [passage omitted]

EPL leader Sonia Martinez and PCC-ML Central Committee member Luis Gomez have denounced "the revisionist and elections-minded attitude" of FARC.

Sonia Martinez, who arrived at yesterday's news conference with her face covered, and Luis Gomez are participating in the Ninth meeting of anti-fascist and anti-Imperialist Youths sponsored by the Nicaraguan Marxist-Leninist Party. [passage omitted]

FOREIGN MINISTER ON AMBASSADOR'S MEETING

PY310148 Asuncion HOY in Spanish 29 Jul 86 p 9

[Excerpt] Foreign Minister Carlos A. Saldivar said at the opening of a meeting of Paraguayan ambassadors: "According to orders from President General Alfredo Stroessner, we have summoned the ambassadors who will occupy their first posts abroad, as well as those who are in Asuncion for official reasons, to a meeting and an exchange of opinions, but mostly so they can receive Foreign Ministry instructions based on the policy outlined by the chief of state regarding the handling of Paraguayan foreign relations."

Concerning the issues that were discussed, the foreign minister said: "They are known to everybody; our main objective is to improve ambassadors' performance. We admit, however, that they have undertaken their activities in keeping with the policies and the work done by the government of President Stroessner."

"Nevertheless," he told the ambassadors, "our country is experiencing an accelerated process of development in all fields, not just in the economic sector. Therefore, we, too, want to experience this development in our sector."

He added then that "although in this era communications have experienced important technological progress which allows us to be in permanent contact with you, these communications do not always let us express everything we want to convey to you or allow you to give us your opinions so that we may immediately develop these aspects of the country's foreign policies."

The minister said that "this meeting's main objective is to discuss general topics. The bilateral topics will be discussed between the ambassadors and the minister or the advisers at another meeting." With this criteria, the meeting dealt exclusively with global topics that make up the country's foreign policy: "To tell the world the truth about the country, its government, and its people, who work in peace for the development of the country and who live happily." [passage omitted]

ABSENTEEISM IN COLORADO ELECTIONS CAUSES CONCERN

PY291603 Asuncion HOY in Spanish 29 Jul 86 p 8

[Excerpt] Some political circles of the Colorado Party are worried about the high rate of absenteeism in the 27 July elections for the Asuncion party precincts. During tomorrow's meeting, the party Executive Board will probably analyze this situation of apparent apathy among the rank-and-file electors. Of the 178,566 voters registered for the elections, only 90,915, some 51 percent, voted.

On the other hand, other party leaders have considered the absenteeism unimportant and pointed out that this is usual in the elections of new boards, both in the capital and the interior. Mario Abdo Benitez, political secretary of the party Executive Board, said, however, that the absenteeism "was alarming" and should not recur. But he added that the registers have to be checked to see if they are correct. "Maybe there has not been absenteeism but only mistakes in compiling the registers," he stated.

The Colorado Party Executive Board is also concerned about the appearance of forged party registration booklets, which, according to reports, might have been registered for the recent elections. [passage omitted]

GUERRILLA ACTIVITY MARS INDEPENDENCE CELEBRATION

PY301300 Paris AFP in Spanish 1657 GMT 29 Jul 86

[Text] Lima, 29 Jul (AFP) -- Local police today reported that 11 people were killed and 55 injured in accidents, terrorist activities, and crimes that took place in several areas of Peru during celebrations marking the 165th anniversary of Peruvian independence.

Carlett Gonzales, deputy prefect of Tocache Province in San Martin Department, located in the northern jungle area of Peru, was killed when eating at a restuarant by four alleged drug traffickers. Carlett Gonzales was an ex-Army captain and a member of the ruling APRA [American Popular Revolutionary Party].

Carlett Gonzales had recently been appointed to his post and according to police reports had plans to undertake a comprehensive operation against drug trafficking and to break up international drug gangs operating in the Peruvian jungle region. Tocache is one of the gang's centers of operation.

In Lima a young worker, Elmer Zamora, was killed by two gunshots when he confronted by a group of unidentified people in the Comas district after participating in festivities to commemorate the nation's independence.

Elsewhere, subversives, allegedly members of the Shining Path terrorist group, attacked a police station in the San Juan de Miraflores district in Lima. Police officer Manuel Palomino was wounded in the shooting that ensued between police and Shining Path.

An APRA party official in the de la Victoria district of Lima was the target of a dynamite attack. No injuries were reported, but the people responsible for the attack left a letter containing death threats for the local APRA party district leaders.

An apartment building was set on fire with a kerosene bottle. The building burned to the ground; 20 people were injured and 1 person died as a result. Elsewhere, two children were burned in their home in a slum. In Ayacucho an unidentified drunk soldier killed the son of APRA leader Juan Vegapatino during a party in a club.

Four high-tension pylons near a police station were blown up by subversives in Ayacucho. Before leaving, the Shining Path subversives left many red flags and propaganda leaflets regarding their actions.

In Huancayo, 312 km east of Lima, a school bus with 30 students went off an embankment when returning from national holiday celebrations. Three children died and 20 others were wounded. In Chimbote, 412 km north of Lima, another bus crashed into a house, killing 2 persons and injuring all 14 passengers. These events took place following the 21 attacks in this capital by terrorists, including the attempts to set on fire the Bolivar, Crillon, and Sheraton Hotels in downtown Lima Sunday night and Monday at dawn.

Strict security measures and an unprecedented security operation to restrict subversive activities have been taken due to the national holidays on 27, 28 and 29 July when Social Democrat President Alan Garcia marks his 1st year in power.

Interior Deputy Minister Augustin Mantilla has reported that in Lima alone more than 3,000 policemen are participating in the security operation. They are supported by light armored vehicles and helicopters. It is also known that police have arrested 20 alleged Shining Path members in the past 20 hours in various parts of Lima. The festivities marking the national holiday were not hindered by the subversive actions or the security measures imposed by the government, including the curfew in force from 0000 to 0500.

Army Kills Maoist Guerrillas

PY261639 Madrid EFE in Spanish 1445 GMT 26 Jul 86

[Text] Lima, 26 Jul (EFE) -- Twenty members of the Maoist organization Shining Path have been killed by Army personnel, after 25 of them tried unsuccessfully to blow up a bridge.

According to a report today in the Lima newspaper LA REPUBLICA, the Shining Path members detonated several bombs yesterday morning under a bridge over the Rio Macro, 118 km from Ayachucho.

Army and police personnel pursued and killed 20 of the Shining Path members. The others escaped, some of the them apparently wounded. The Shining Path casualties are in addition to 18 others, which occurred in Ayacucho Department on 17 July in La Rinconada and Chaupimayo in clashes with army patrols.

According to the LA REPUBLICA report, the Shining Path guerrillas are mostly very young and poorly armed.

It was learned yesterday in Ayacucho that a Shining Path column of 20 guerrillas entered the town of San Jose de Secce on 24 July and killed 5 people, apparently friends and relatives of provincial Governor Victor Naupa of the APRA, whom they seemed to be seeking.

Security Tight For Lima Parade

PY301718 Madrid EFE in Spanish 1925 GMT 29 Jul 86

[Text] Lima, 29 Jul (EFE) -- The traditional military parade which marks Peruvian independence day was held today in Lima under strict security measures, with helicopters flying low over the city surveillance using trained dogs. Some 3,000 policemen were assigned to guard the commemorative ceremonies.

The parade was held in Lima's Plaza de Armas, in front of the Government Palace. A reviewing stand was placed in front of Government Palace to accomodate President Alan Garcia, ministers, accredited diplomatic corps, and civilian and military personalities.

This annual parade usually takes place on Brazil Avenue. This year the ceremony, which marked the 165th anniversary of Peruvian independence, was moved, apparently for security reasons. For the first time in 50 years the parade was held in the Plaza de Armas, where access was strictly controlled. The parade did not include armored vehicles or cavalry, but did include troops, both military and police.

The parade, which started with Navy troops and concluded with police forces, was short in comparison with those of past years. Immediately following the parade, President Garcia returned to Government Palace.

Bomb, Attacks Shake Arequipa

PY280300 Madrid EFE in Spanish 2052 GMT 27 Jul 86

[Text] Lima, 27 Jul (EFE) -- It was disclosed here today that a car bomb and several other terrorist devices exploded in a series of attacks perpetrated in the last 48 hours in Arequipa, 1,025 km south of Lima. The attacks caused extensive material damage but no casualties. The car bomb explosion occured near a shopping center, located in downtown Lima. Seriously damaged were the facade and interior offices of a bank branch as well as windows and doors of a television station, whose equipment was also affected.

According to press reports, a few minutes earlier two buildings of the governing APRA, located in different neighborhoods, were bombed.

Three bomb explosions also took place in Libertad Park, and explosive devices were hurled against the doors of two houses near downtown Arequipa, damaging the facades.

In Chiclayo, 700 km north of Lima, unidentified individuals detonated a bomb at the door of the Agrarian bank branch, near the Plaza de Armas, breaking windows and damaging the building's interior.

MRTA Guerrillas Storm Huancayo

PY301739 Paris AFP in Spanish 0003 GMT 30 Jul 86

[Text] Lima, 29 Jul (AFP) -- Members of the Tupac Amaru Revolutionary Movement (MRTA), a guerrilla organization, occupied a small township near the city of Huancayo, 312 km east of Lima, and took medicine and other items, the police reported today.

The attack, which occurred on 27 July, apparently passed unnoticed by residents of the area, but the extremists themselves have disseminated reports on the attack, which was later confirmed by police sources.

This was the first attack on an Andean rural population by MRTA guerilla fighters. Earlier the MRTA engaged only in urban guerrilla operations (attacks and holdups against radio stations and news agencies) in Lima and elsewhere.

AZPURUA INFORMS LUSINCHI OF RESULTS OF U.S. TRIP

PA291241 Caracas Television Service in Spanish 0000 GMT 29 Jul 86

[Report by Elsy Barroeta]

[Text] Finance Minister Manuel Azpurua has informed President Lusinchi of the results of his contacts in New York with representatives of international banks. We interviewed Minister Azpurua at the Miraflores Palace following his meeting with President Lusinchi. Azpurua returned from New York early yesterday after meeting with representatives of internal credit banks to which Venezuela owes money, as well as with the U.S. secretary of the Treasury and the chairman of the Federal Reserve Bank.

According to Minister Azpurua, the international banks understand the current situation in our country caused by the drop in oil prices. Venezuela expressed the need to modify the financial agreements. It is impossible to pay the $21 billion under the terms of the agreements already signed; therefore, it will be necessary to introduce modifications to place Venezuela in a more flexible position.

[Begin Azpurua recording] In this sense, we also discussed the need to renew talks with the banks' Advisory Committee in order to analyze Venezuela's proposal and its basis, taking into consideration the foreign exchange income, the balance of payments, future prospects, and the time in which Venezuela will need to complete the payments of its public foreign debt. [end recording]

According to Minister Azpurua, after these initial contacts aimed at modifying the agreements on refinancing the public foreign debt, the next step will be a meeting with all members of the banks' Advisory committee. For this, representatives of the Venezuelan Government will travel to the United States during the first 2 weeks of August.

MINISTER CARDOZO PROPOSES REGIONAL DEFENSE GROUP

PA282300 Hamburg DPA in Spanish 2033 GMT 27 Jul 86

[Text] Caracas, 27 Jul (DPA) -- According to morning newspaper reports in Caracas, Defense Minister General Jose Rafael Cardozo Grimaldi has proposed a common Latin American front against subversive movements. Speaking in San Cristobal, Gen Cardozo said he will contact other defense ministers in Latin America "to establish a common front against various subversive groups thriving in the continent." He added that there is need for integration in this regard; to achieve that end, "I will contact Latin American counterparts to discuss other security issues, because we need information from other nations just as they need our information. We are willing to cooperate fully and to train officers to fight our common enemies, because Latin American countries, and especially Bolivarian nations, are affected." As for the common struggle against drug trafficking, contraband, border kidnappings, and murders shared with Colombia, the minister said that "we will intensify relations between the two countries in keeping with a treaty signed in 1984," broaden regional meetings, and foster periodic visits between militarymen of the two countries. Emphasis will be placed on these aspects "to tackle problems that negatively affect our societies."

EDITORIAL ON AGREEMENTS WITH FOREIGN BANKS

PA290015 Mexico City EL DIA in Spanish 23 Jul 86 p 5

[Editorial: "The Agreements With the IMF: Four Aspects To Carefully Think About"]

[Text] The signing of the agreement with the IMF marks the end of a phase of difficult negotiations with foreign banks. There are reservations that will exist until the details of the agreement are analyzed and its effect on the Mexican economy known, but it can be said that the agreement, in principle, means a moderate change in the attitude of international banks. As we see it, the negotiations had four basic points that served as the nucleus of the discussions.

The first point eliminates the possibility of reducing interest payments by relating them to export prices. It was agreed that the banks will provide new short-term credits and will be committed to granting additional funds or to reducing them, depending on oil-price fluctuations. Instead of reducing interest payments — which was one of the options — it was agreed to increase the financing to guarantee that the debt will be serviced at all times.

Another main point in the negotiations was the fiscal deficit. One of the most strict guidelines of international financial organizations has been that of making new credits conditional to budget deficit reduction commitments. Recently, there have been drastic budget cuts that have produced an economic recession. The deficit, however, has not diminished proportionately because the impact produced by internal and foreign debt interest and the devaluation have resulted in growing financial expenditures, a situation that the general results make evident. In this regard it is important that the IMF take the operations deficit into consideration when making evaluations.

The third point is the so-called structural change, which includes industrial retransferring [reconversion industrial], the sale of state enterprises, the opening of commerce, and the promotion of foreign investments. There is, in effect, a list of guidelines that have dangerous edges that will deeply modify the Mexican economy, and that could lead to an irreversible situation.

A fourth aspect is that Mexico has noted, regarding the possibility of selling public enterprises and promoting foreign investments, that decisions on strategic and priority enterprises and on foreign investments are to be made only by the Mexican legislature and the product of Mexican policies.

Judging from the contents of the agreements with the IMF, there has been really a moderate change of attitude, considering that the door to new financing has been opened after having been closed to Mexico for the past 2 months. The IMF also agreed to make some type of link with other economic variables, such as the price of oil, in order to avoid new paralyzations of the Mexican economy while Mexico waits for the results of the negotiations. This change of attitude, however, is only small relief, because the unjust international economic order conditions remain and will continue to act against the less-developed economies. The change of attitude of the financial organizations represents a first step on a flexibility road that must be expanded to guarantee economic growth — an unescapable condition for social justice and the foundation of political stability.

PEMEX NOTES THAT GASOLINE NEEDS WILL BE MET

FL282318 Mexico City NOTIMEX in Spanish 1554 GMT 26 Jul 86

[Excerpt] Mexico City, 26 Jul (NOTIMEX) -- Gasoline production will increase by 17,000 barrels daily during the present year with respect to the preceding year; production will reach 121,600 barrels daily in 1986, according to Pemex. Pemex also reports that this level of production will guarantee the demand for gasoline will be met nationwide. In cases such as the federal district, the gasoline has been improved to reduct the emissions of gas and contaminating smoke. Nova Plus and Extra Plus gasolines are only a part of Pemex products. Pemex produces 2.72 million barrels of crude oil daily. Of this, approximately 1.5 million barrels are sold on the international market; the remainder is consumed domestically. Pemex produces two qualities of crude oil; light crude, called isthmus, and heavy crude, called maya. Pemex produces 1.16 million barrels daily of the heavy crude, which is of poorer quality, is more viscous, and has elements that make its processing more difficult. Pemex produces 1.56 million barrels of light crude oil daily. [passage omitted]

SUSPECTED DRUG TRAFFICKERS KILL POLICE CHIEF

PA280119 Mexico City Red Nacional 13 Imevision Television in Spanish 0130 GMT 27 Jul 86

[Text] In Colima, presumed narcotics traffickers have killed the chief of the Manzanillo judicial police, Octavio Garza Zuniga, and a policeman, Juan Garcia Mendez. Octavio Garza and three policemen had gone to (Comoplan) de Miraflores in Colima to arrest a person involved in the marketing of marijuana.

BRIEFS

PRESIDENT APPOINTS OFFICIALS -- President Miguel de la Madrid has appointed Jose Alcudia Garcia secretary of energy, mines and parastate industry and Romarico Arroyo as deputy secretary of energy, mines and parastate industry. Federico Torres Arroyo was appointed (Eugenio Olade Salarich) as deputy secretary of the parastate industry of transformation. Alfredo Elias was appointed coordinator of advisers, and (Miguel Besania) was appointed private secretary of the new energy, mines and parastate industry. [Text] [Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 9 Jul 86 PA]

NAVY APPOINTMENTS ANNOUNCED -- Rear Admiral Jose Humberto Orozco Peralta has taken over as the new director of the Navy and Military School. He is replacing Rear Admiral Rodolfo Rodriguez Jurado, who was appointed commander of the Navy Sector of Matamoros, Tamaulipas State. [Summary] [Mexico City Red Nacional 13 Imevision Television in Spanish 0130 GMT 14 Jul 86 PA]

THERMOELECTRIC PLAND DEDICATED -- The first unit of the thermoelectric plant in San Luis Potosi began operating today. The plant, which involes a 42-billion peso investment, will generate 750,000 kilowatts of energy. This will guarantee electric supply for the next 30 years in the central area that includes "San Luis Potosi, Queretaro, and Aguascalientes. It is the largest and most modern project in Latin America and is run by computers. [Summary] [Mexico City Red Nacional 13 Imevision Television Network in Spanish 0300 GMT 9 Jul 86 PA]

ECONOMIC OFFICIAL ON TRADE TREATY NONCOMPLIANCE

PA260413 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Jul 86 pp A 1, A 14

[By Edmundo Dante Dolphy]

[Text] Felix Maduro, president of the Panamanian Chamber of Commerce, Industries, and Agriculture, recently reported Guatemalan and Salvadoran noncompliance with the bilateral free trade treaties they share with Panama.

While these countries argued that their Central Bank policies have imposed certain restrictions which prevent them from complying with the agreements, the position of the Panamanian joint commission, made up of private and government sectors, is that treaties among countries should be honored and are above any internal imposition.

Maduro pointed out that among the restrictions imposed by the bilateral free trade treaty with El Salvador and Guatemala, the most problematic is the inclusion of a list of products, which is used as a basis for the payment of a tax surcharge for all products not appearing on that list. Maduro said that very few Panamanian products appear on this list, which adversely affects Panamanian exporters, who cannot carry out free trade operations.

Another negative aspect causing an imbalance is the payment for Panamanian exports by the Central Banks of El Salvador and Guatemala.

Maduro said that because of the noncompliance with these bilateral treaties, Panama has had to take certain unilateral steps including restricting imports of the products of these countries covered by the bilateral agreements.

Panama explained its position at a recent meeting in Guatemala with the economy ministers and presidents of the Central American Central Banks. The joint commission -- which is made up of the Chamber of Commerce, Union of Panamanian Industrialists, Panamanian Association of Business Executives, Panamanian Institute of Foreign Trade, Panamanian Exporters Association, and government officials -- intends to talk with the commerce minister and discuss the issue with the president of the Republic to seek alternatives or solutions to this important free trade problem.

BRIEFS

DRUG SEIZURES -- National Defense Forces report total drug confiscations between January and June 1986 were 390,723.5 grams of pure cocaine; 8,062.5 grams of basuco; 106,920.5 grams of marijuana; 342.2 grams of hashish; 250 drums of acetone; and 157 ampules of morphine. A clandestine laboratory was destroyed in the Darien jungle. Also confiscated were 250 bales of marijuana and 300 kg of pure cocaine, delivered by a ship and airplane respectively. On money laundering control, six cases involving a total of $2,373,244 were detected by the Antidrug Brigade. [Summary] [Panama City CRITICA in Spanish 16 Jul 86 p 19 PA]

COSTA RICA

GOVERNMENT SAYS NICARAGUAN CHARGES 'GROUNDLESS'

PA300451 San Jose Radio Reloj in Spanish 0100 GMT 29 Jul 86

[Text] Acting Foreign Minister Carlos Rivera Bianchini said today that Costa Rica considers the Nicaraguan charges groundless and invalid. Rivera made this remark when he referred to Nicaragua's petition to the UN Security Council to investigate the activities of the Nicaraguan counterrevolution [words indistinct] in Costa Rica.

[Passage indistinct] Rivera said Costa Rica will respond appropriately to the Nicaraguan petition to the UN Security Council. He added that this petition is groundless and that it is intended as a smokescreen to pave the way for Nicaraguan President Daniel Ortega's upcoming presentation at the United Nations. Rivera reiterated that the Nicaraguan charges have been rejected and added that this will be noted in the response to be sent to Managua.

Rivera said the government is obliged to give proof of its neutrality only to the Costa Rican people. He admitted, however, that in the past few weeks the authorities have taken some actions that prove neutrality is being enforced. Rivera was referring to the expulsion of two Nicaraguans and to the discovery of a clandestine clinic.

Government To Go Before ICJ

PA301947 Hamburg DPA in Spanish 1903 GMT 30 Jul 6

[Text] San Jose, 30 Jul (DPA) -- Acting Costa Rican Foreign Minister Carlos Rivera Bianchini said at noon today that Costa Rica will go to The Hague's International Court of Justice [ICJ] to defend itself against the accusations made by Nicaragua. Rivera said: "In the face of the accusation presented by Nicaragua, we have decided to go to the ICJ to state our defense there."

Two days ago, Nicargua submitted charges against Costa Rica at the ICJ, saying "Costa Rica cooperates with the rebel groups that are attacking the Nicaraguan Government."

Rivera said: "Costa Rica maintains its neutrality in the hostilities, and it has categorical proof of its actions against rebel groups." He added that although the Costa Rican Government feels the Nicaraguan accusation is groundless, it will go to the ICJ because Costa Rica signed the agreements creating that court.

Protest Against EPS Attack

PA310329 San Jose Radio Reloj in Spanish 0100 GMT 31 Jul 86

[Text] Costa Rica has presented a new protest to the Sandinist Foreign Ministry over an EPS armed attack in the Boca de San Carlos region at 1515 on 26 July.

Costa Rica requested that the Nicaraguan Government do all it can to prevent that type of action from recurring. It also requested that Nicaragua investigate that attack so the ones who carried out that illegal action, which aggravates relations between the two countries, are properly sanctioned. Several mortar shells hit Costa Rican territory in the attack.

The note sent by Costa Rican Acting Foreign Minister Carlos Rivera Bianchini to Sandinist Foreign Minister Miguel D'Escoto points out the incongruities of Nicaraguan policy on Costa Rica. While high-ranking Nicaraguan officials make statements in favor of constructive and friendly relations between our two nations, Costa Rican sovereignty continues to be attacked from EPS-controlled Nicaraguan territory, the note adds. This new protest was delivered to the Nicaraguan Embassy in San Jose in the last few hours.

MINISTRY DENIES ENTRY VISA TO FDN'S CALERO

PA302229 San Jose Radio Reloj in Spanish 1200 GMT 29 Jul 86

[Text] The Costa Rican Security Ministry yesterday rejected a request by FDN counterrevolutionary leader Adolfo Calero to enter the country. Government Minister Guido Fernandez reported to the Security Council that one of Calero's lawyers had presented the request. According to the request, the FDN leader would reportedly stay in the country 1 week to visit some relatives.

The government minister indicated that the decision to turn down Adolfo Calero's request was based on the same reasons for which it had previously been turned down. Fernandez admitted that last May Calero had also requested, through a lawyer, a permit to enter Costa Rica. Nevertheless, on that occasion the Security Council turned down his request because it considers that Adolfo Calero represents the FDN military branch. Consequently, his presence in Costa Rica would have compromised the government's neutrality, Guido Fernandez said. He added that people have political freedom in Costa Rica, and exiles are asked to live according to the country's civic and political guidelines.

VISA FOR LIBYAN OFFICIAL UNDER INVESTIGATION

PA301431 San Jose LA NACION in Spanish 21 Jul 86 p 4-A

[Text] The Foreign Ministry will try to find out today why our consulate in Rio de Janerio granted an entry visa to Kamil Maghuri, a Libyan People's Committee for Foreign Liaison official.

Immigration regulations have been in existence for months that restrict the entry to Costa Rica of Libyan citizens.

Although Maghuri was identified in Brazil as the Libyan foreign minister, it was then clarified that this post is occupied by 'Ali al-Turayki.

Deputy Foreign Minister Carlos Rivera Bianchini said yesterday that all he has in his possession is a very plain, unofficial report on the visa authorization granted by Consul Jose Hilario Villalobos. Maghuri arrived on Friday in the Brazilian city from Casablanca, Morocco. He was planning to travel to Nicaragua and other countries in Central America, according to what he said, with a stopover in Costa Rica.

VARIG Airlines had refused to transport Maghuri to Juan Santamaria Airport because he did not have the permit to enter our territory.

On Friday night, however Maghuri obtained a visa. He was unable to travel on Saturday because there are no flights to San Jose on that day. VARIG only has flights to San Jose on Fridays at 1635. The Libyan also was not able to travel to La Paz, where he planned to go.

One of his assistants said Maghuri had planned to make a "secret" trip. Moreover, he was annoyed because Maghuri's situation had been made public.

Yesterday afternoon, the Costa Rican deputy minister insisted that he does not have sufficient details about this matter and that he would proceed with an investigation.

It is possible that information on this will be received from Consul Villalobos today.

EL SALVADOR

HONDURAN PRESIDENT AZCONA ARRIVES ON VISIT

PA310447 San Salvador Domestic Service in Spanish 0354 GMT 31 Jul 86

[Text] At his arrival at Ilopango Air Force Base, Honduran President Jose Azcona Hoyo was received by Salvadoran President Jose Napoleon Duarte, accompanied by members of the Legislative Assembly and of the Cabinet, as well as by top-ranking military commanders and directors of autonomous and semi-autonomous institutions.

The troops of the Air Force base rendered the respective military honors to the two presidents. President Duarte said President Azcona Hoyo's visit is a very important event.

VICE PRESIDENT DISCUSSES PEACE PROCESS

PA281730 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 28 Jul 86

[Interview with Rodolfo Castillo Claramount, vice president and foreign minister, by Rene Hurtado; place and date not given -- recorded]

[Text] [Hurtado] Mr Castillo Claramount, what is the specific and real situation of the Contadora Group? Is there any hope that it will move forward?

[Castillo] Look, the problem is that I do not know to what extent the Contadora and Support Group countries will really maintain their determination to continue with this effort. I am concerned over the fact that in Caracas there was no decision or initiative taken to further such efforts. They only participated in a protocol act to accept decoration.

I had sincerely hoped that there would be some kind of statement, but there was none. Our reply coincides with that of Costa Rica and is less like that of Honduras, although Honduras is leaving a door open. Apparently, Guatemala has not yet replied. The one from Nicaragua also leaves a door open. I am referring to the replies given by our countries after having received the document in June.

Given that they asked for our reply, we said, in El Salvador's case, that we take the Contadora Group at its word and that we hope it will resume and continue its efforts.

[Hurtado] There is much talk about a surprise meeting by the four countries -- namely Honduras, Guatemala, El Salvador and Costa Rica -- with Nicaragua to discuss this Contadora problem.

[Castillo] No, there is no surprise meeting. It is most probable that on 13 August, when we all meet in Guatemala -- that is, vice presidents, foreign ministers, and three parliamentary representatives of each country-- there might be an informal meeting to explore a possible meeting between the five countries. I said before that this must be done in accordance with an agenda allowing us to make progress and work seriously. That is definitely our idea; we are not working on surprise meetings of any kind.

[Hurtado] Mr Castillo Claramount, if this 13 August meeting is to establish a Central American parliament made up by all countries, could this in the end displace the Contadora Group and bring about a Central American solution?

[Castillo] No, this is not a move to exclude that group. It was never conceived with that purpose. Specifically, in our case, we proposed the paraliament to the Contadora Group and the group accepted our proposal that it be a group to support Contadora. That is still our position.

We believe Contadora produced a system. The Contadora Group has brought some results besides the integration of the countries, etc. It is important that we rescue it and that it not be forgotten. Our Foreign Ministry has designed an entire scientific concept around this position, the so-called Contadora doctrine.

We are treating this with all the seriousness that is deserves. There are a number of elements with political, juridical, diplomatic, and military security connotations. It is very important to follow up on them. We must improve and develop them. I think that this must be done within the framework of the Contadora Group document-- within the 21 objectives and the Contadora document concept.

[Hurtado] To end this interview, is there any hope for Contadora? Do you think that this could really be the beginning of a peaceful solution in the Central American area?

[Castillo] We hope so; however, realistically speaking, I think that as long as the five Central American countries do not meet to probe the extent of our determination and desire to reach firm and sincere commitments and to achieve progress, I will not be able to reply to your queston in realistic terms. I can simply express optimism and my desire, but that is not what we need. We need to know the extent of our determination. That can be decided at the discussion table. I think that 13 August will be an appropriate day to examine the possibility of such a meeting. In that meeting, we will see how far we can really go. Future developments will depend on this. I honestly think that to a large extent, this will depend on Nicaragua's position.

DUARTE ISSUES COMMUNIQUE ON KIDNAPPED COLONEL

PA301427 San Salvador Domestic Service in Spanish 1300 GMT 30 Jul 86

[Communique signed by President Jose Napoleon Duarte as commander in chief of the Armed Forces -- dated 29 July]

[Text] The General Command of the Armed Forces of El Salvador hereby responds to recent reports on the kidnapping of Colonel Omar Napoleon Avalos made known here and abroad.

1. The armed institution has been concerned with making possible the return of Col Avalos to his family and to his professional tasks from the very moment that he was kidnapped by a subversive FMLN-FDR group.

2. Unfortunately, the subversive organizations refused to allow personal contact between Col Avalos and representatives of the Salvadoran church and other international humanitarian organizations, and for this reason the physical condition of the victim could not be established. The conditions under which he is being illegally held could not be established either. This made efforts for his release more difficult.

3. During his illegal and unjust captivity, Col Avalos has been deprived of the guarantees to which he, as human being, is entitled.

4. Since the Armed Forces have been inflicting many casualties on the extremist groups, the latter have appealed for a humantarian gesture on the part of the Armed Forces to allow the evacuation from the country of an undetermined number of rebels crippled by the violence that they have chosen to impose on the Salvadoran people.

As a result of this, the Armed Forces High Command has made this humanitarian gesture contingent on the immediate release of Col Omar Napoleon Avalos, but the irresponsible leaders of the FMLN-FDR have refused to fulfill minimum humanitarian obligations toward their own crippled elements and have refused to release Col Avalos.

5. Nevertheless, in the 9 months of the inhuman capitivity to which Col Avalos has been subjected, this is the first time that the possibility of his release has appeared, although so far there has been no formal and specific proposal from the extremist FMLN-FDR groups.

6. Once the demands of the Marxist organizations are known, this General Command is prepared to consider adequate possibilities to find a solution to this case within the framework of the law and the humanitarian principles that must be observed and respected by all those who are deeply committed to the search for peace in our country.

San Salvador, 29 July 1986

[signed] Jose Napoleon Duarte

President of the Republic and commander in chief of the Armed Forces.

Archbishop To Visit Avalos

PA310404 Panama City ACAN in Spanish 0245 GMT 31 Jul 86

[Excerpts] San Salvador, 30 Jul (ACAN-EFE) -- A military source reported to ACAN-EFE that Salvadoran Archbishop Arturo Rivera y Damas will travel tomorrow to the eastern department of Morazan to visit a solider who was kidnapped 9 months ago by the guerrillas.

The visit of the Salvadoran prelate follows a request made to the church through the media 2 weeks ago by the kidnapped man, Colonel Napoleon Avalos. Avalos was kidnapped 9 months ago by FMLN guerrillas. [passage omitted]

Regarding the visit to the prisoner, the prelate said: "Surely the years take their toll, but I can go, although to go I might have to call off the Episcopal Conference meeting that was scheduled for this week." [passage omitted]

COPREFA ISSUES REPORT ON REBEL CASUALTIES

PA291625 San Salvador Canal Doce Television in Spanish 1200 GMT 28 Jul 86

[Excerpt] The Armed Forces Press Committee, Coprefa, in its weekly report says it inflicted 13 casualties on the guerrillas. It acknowledges the deaths of 3 soldiers and reports that 13 others were wounded.

The military report details that during the past week, the insurgents killed 2 civilians, wounded 3, kidnapped 12 others; it did not provide further details.

According to Coprefa, in the economic area, the FMLN destroyed five pylons, an ANTEL [National Administration for Telecommunications] office, one cargo train, a vehicle of the Ministry of Agriculture and Livestock, an excavator, a bulldozer, and a CEL [Lempa River Hydroelectric Executive Commission] sub-station, which was partially destroyed. The report also states that during counterinsurgency actions carried out by the Armed Forces in various strife-torn areas in the country, different kinds of weapons were seized, including 19 rifles, 21 grenade launchers, 7 grenades, and 186 mines. [passage omitted]

'Important' Rebel Casualty

PA282321 San Salvador LA PRENSA GRAFICA in Spanish 26 Jul 86 pp 5, 25

[Text] Colonel Jesus Caceres has reported 18 subversives were killed and 35 wounded in the initial part of the seventh phase of the military operation in Chalatenango.

Col Caceres, commander of Military Detachment No 1 headquartered in Chalatenango, said yesterday that one of the most important casualties sustained by terrorist groups in the past few days was Commander Susana, one of the FPL's [Farabundo Marti Peoples Liberation Forces] most important leaders.

He said the late commander was not only one of subversion's most courageous combatants in the northern area of the country, but was in charge of funds coming from abroad that only she knew how to obtain and send to the most critical areas.

This is the main reason why, said Col Blandon, her death constitutes a heavy blow to the terrorist organizations.

As for the weapons seized, he added that the varous units participating in the Chavez Carreno Operation, which is already in its seventh phase, seized 15 rifles of various calibers, including FAL, AR-15, M-16, and G-3 rifles.

Blandon said most military actions have concentrated in Arcatao and its surrounding area, which are at the highest points in Los Filos, La Canada, and Los Bolsones de Zazalapa.

Thanks to the arrival of the Atlacatl Battalion headed by Colonel Juan Carlos Carillo, the situation in that border area is completely under Armed Forces control. It is expected that this northern area will be thoroughly cleaned up in the next few days, concluded Col Blandon.

HONDURAS

AZCONA ON CONTRA PRESENCE, NICARAGUAN ICJ SUIT

PA310330 Paris AFP in Spanish 0223 GMT 31 Jul 86

[Text] Tegucigalpa, 30 Jul (AFP) -- Honduran President Jose Azcona today admitted the presence of anti-Sandinist rebels in Honduran territory but reasserted that his government will not control the situation to "protect the Nicaraguans' backs." He also suggested to the government in Managua that a wall like the one in Berlin be constructed throughout the common border to stop refugees from entering Honduras, "because they affect our economy in an extraordinary way."

During statements to the local station Radio America, Azcona said: "We would have to use all our resources" to prevent the contras' actions in Honduras, and "we will not act as guards to protect the Sandinists' backs."

The radio station's editorial questioned Azcona's statements, in which he publicly acknowledged the rebel presence in the country, stating that Nicaragua might use this argument in its charges against Honduras before the International Court of Justice (ICJ).

Nevertheless, Azcona asserted that Honduras has not officially recognized the rebel presence, and recalled that his government has already told the ICJ that it does not recognize the court's jurisdiction in this case.

Azcona reasserted that "the contras currently live in Honduran territory and come and go as they please," and sometimes "they establish temporary camps."

Nevertheless, Azcona stated quite clearly that "the contras and the U.S. Armed Forces do not have permanent bases in Honduras."

Azcona admitted the possibility that there are contra camps and hospitals in Honduras, but insisted that "it is not easy for Honduras to limit the activities at the border" with Nicaragua.

He added that "it has also been impossible to limit the Salvadoran guerrillas' entries, even though it has been ascertained that they have links with some sectors in the refugee camps."

He added that "the contras also come and go in Costa Rica" -- which is also being accused by Nicaragua at the ICJ of letting the anti-Sandinist rebels use its territory for armed actions -- "and the government in that country has maintained a position similar to the one adopted by Honduras."

The radio station reported that the Salvadoran refugee camps are closely watched while the Nicaraguan refugee centers received protection from the Armed Forces. However, Azcona denied that Nicaraguan refugees are being given special treatment in Honduras.

Referring to the charges presented against Honduras at the ICJ, Azcona said: "Knowing that Nicaragua might use any action for its propaganda and publicity plans, we notified The Hague in May or April that we do not recognize its jurisdiction."

The president asserted that Honduras has based its policy concerning Nicaragua on three points, as follows:

-- Honduras will never lend its territory for troops from any power to invade Nicaragua.

-- The Armed Forces will not enter 1 inch inside Nicaraguan territory; in other words, Honduras will never invade Nicaragua.

-- Honduras will not earmark its resources or send all its battalions to guard the border to protect the Sandinists' backs.

Azcona asserted that Nicaragua "has no evidence that a single Honduran soldier has crossed the borderline, and Honduras has even returned some Army prisoners" following the mass raid during Holy Week.

He also asserted that "we have begged President Ortega that, for the sake of peace in Central America, his government allow an opening in his country and act democratically so that we do not continue to suffer the effects of the internal pressure that prevails in Nicaragua."

"However, we are extremely concerned because -- far from seeking a political solution -- the Nicaraguan Government is making this almost impossible by adopting measures against the church, press, and unarmed opposition," the president stated.

NICARAGUA

FOREIGN MINISTRY COMMUNIQUE ON NEW ICJ SUITS

PA302135 Managua Radio Sandino in Spanish 1940 GMT 30 Jul 86

[Foreign Ministry communique issued on 30 July; read by Ambassador to the Netherlands Carlos Arguello -- live or recorded]

[Text] The Foreign Ministry hereby reports to the people that on 18 July 1986, the Republic of Nicaragua presented two requests for [words indistinct] the respective judiciary procedures against the Republics of Honduras and Costa Rica before the International Court of Justice [ICJ] Inasmuch as it feels that all efforts in recent years to reach a peaceful solution in accordance with international law have been useless, Nicaragua adopted this decision in view of the very serious situation that has arisen as a result of the forceful and interventionist policy of the U.S. Government against Nicaragua in complicity with Honduras and Costa Rica.

In the case of Honduras, Nicaragua has been trying since 1980 to reach a bilateral agreement that will put an end to the illegal activities against Nicaragua. From the presidents' meeting held at the Guasaule border post to this date, Nicaragua has made many efforts to reach a bilateral agreement. Unfortunately, there have been negative answers to these efforts to end the complicity with the illegal policy of the United States and a growing involvement with this policy.

Referring to Costa Rica, both the mixed commission created in 1982 and the supervision and prevention commission formed in 1984, as well as the bilateral talks held in (?our) country with the support of the Republic of France, also have been useless. In spite of the sincere efforts of Nicaragua and the public statements made by the Costa Rican Government, the truth is that the complicity of the Costa Rican Government with the illegal policy of the U.S. Government has not ended, and the armed actions, the acts of intervention, and other illegal actions to the detriment of Nicaragua have continued.

Nicaragua believes it has made use of all means for bilateral and direct negotiations to find a solution to this situation in accordance with international law and the fraternal relations that should prevail among brotherly nations. Nicaragua therefore is now compelled to resort to this means of peaceful solution with the hopes that through these resources the ICJ will be able to restore peace, mutual respect, and trust among our nations.

Nicaragua feels that the Contadora Group (?should report to the ICJ) on its efforts to reach a regional solution to the Centrral American crisis. In view of the violations of the basic norms of international law, Nicaragua particularly seeks to prevent bilateral issues from leading to a generalized war situation. The Contadora Group is trying to find an agreement among the five Central American countries that will restore -- through international law -- peace, trust, and cooperation among all states in the Central American region.

As an act of courtesy to Honduras and Costa Rica, the Nicaraguan ambassadors to those countries presented on 18 July an official note informing the respective countries of Nicaragua's decision.

Nicaragua hopes that by presenting these bilateral conflicts with Honduras and Costa Rica to the ICJ, it will be possible to strengthen an understanding with these countries and reach a peaceful solution to the controversies.

GRANMA 'GAFFES' SUGGEST CRITICISM OF CASTRO

PA251733 Paris AFP in English 1712 GMT 25 Jul 86

[Text] Havana, July 25 (AFP) -- Cuban President Fidel Castro has been the butt of ridicule by some unofficial editing of the official party paper GRANMA that has even caught Mr. Castro's attention and which analysts said were the most violent attacks on him in his 27-year rule.

In its report of the traditional May 1 marches, GRANMA's back page had a photo of the president that if held up to the light showed a skull on his chest. The paper followed this up with a headline on the front page of the July 4 edition that, if folded a way that Cuban readers do, changed the headline to "Down With Fidel." Mr. Castro himself mentioned the two layout gaffes in a televised report Thursday on a recent meeting of the Cuban Communist Party Central Committee. He dismissed them as simple coincidences without any mystery involved, but analysts said that, the second case at least, could not have been a coincidence, with typographical errors that were glaring to most newspaper professionals. And the president did not mention a third layout gaffe on June 7 which intentionally or otherwise published a particularly damning anti-Castro message.

Again on the front page, a picture to commemorate the anniversary of the Interior Ministry, shows Mr Castro in uniform surrounded with other uniformed officers, but with his arm raised in a manner that looks unmistakably like a fascist salute. In one corner of the photo the word "ario" (aryan) is seen. The word "aniversario" (anniversary) apparently got cut in layout, but analysts again said it should have been easy to avoid such coincidences.

Diplomats in Havana said that the layout coincidences are similar to those already used by opposition members in other communist bloc countries. Both they and journalists said that someone, perhaps from inside GRANMA, must have been energetically spreading the word, so that the population got to know about the clever design slips. Veteran analysts and journalists here said that these were the fiercest attacks directed against Mr. Castro in his 27 years in power in Cuba.

They added that the attack had come at an embarrasing time for Mr. Castro, with Cuba saddled with severe economic problems and the president himself calling for a "revolutionary counter-offensive" against "mistakes and negative tendencies" in Cuban society.

MEXICAN SENATOR SOCORRO DIAZ ENDS OFFICIAL VISIT

FL291608 Havana Tele-Rebelde Network in Spanish 1100 GMT 29 Jul 86

[Text] Mexican Senator Socorro Diaz, EL DIA newspaper director, has ended her official visit in Cuba at the invitation of the National Assembly of the People's Government [ANPP]. Deputy Ramon Ferro, chief of the ANPP international department, and other officials were present at Diaz departure. During her stay, she met with high-level party and government leaders.

'OUR AMERICA' ON PINOCHET'S HOLD ON POWER IN CHILE

PA290345 Havana International Service in Spanish 2300 GMT 25 Jul 86

["Our America" commentary]

[Text] General Augusto Pinochet has unexpectedly begun a retreat, at least verbally, regarding his intention to remain in power in Chile indefinitely. During a recent speech to inaugurate the Eighth National Mayor's Congress, Pinochet said that he will not be a candidate in 1989, because many things can happen in 3 years. His reasoning regarding his future as a dictator caused suprise, because in all his public appearances Pinochet has shouted his intention to remain in power, not only until 1989 but to run for president in the 1989 elections. Since the bloody coup d'etat in 1973, it could be said that this is the only truth spoken by the head of the regime: In 3 years, many things can happen.

However, we should add that much has been happening for quite some time. The magnitude of the people's demonstrations, the strikes, and the radicalization of the masses are more than enough to give Pinochet and the other members sleepless nights, but above all they have influenced the president into reconsidering. It would be naive to think that someone who is so bent on remaining in power can, from 1 minute to next, change his mind. The truth of the Chilean situation is pushing the general to take back his own words. Very important factors in this situation are the mobilizations against the regime and the demands for a change as soon as possible. However, there is also pressure being exerted by the one who until lately Pinochet considered his strongest supporter: the U.S. Government.

By this we do not mean to say that the U.S. Government has decreased its support for the Chilean dictator, but it is pressuring, through various businessmen, for more flexibility in the junta's policies, because it foresees that, the way things are going, Pinochet's fall is not too far away. This would bring about a very deep change in the Chilean situation, and it would be very difficult for the U.S. Government to control such a situation.

Aside from all this, there is a deep uneasiness within the Chilean Armed Forces. Its members do not seem very pleased with Pinochet's personal plans. When referring to the presidential aspirations of the dictator, Navy Commander Admiral Jose Toribio Merino recently said: Pinochet can say whatever he likes, but what we want to project is a political idea, not men. Meanwhile, Air Force Commander General Fernando Matthei said that it is quite possible that the Constitution implemented in 1980 will have to be amended so that free and direct elections can be held in 1989.

It is quite obvious that there is a power struggle in Chile, but above all there is a great fear of radicalization and change. All this causes a retreat and marks the possible beginning of Pinochet's defeat.

RAUL CASTRO VISITS HOLGUIN PROVINCE

FL291124 Havana Radio Progreso Network in Spanish 1100 GMT 29 Jul 86

[Text] Army General Raul Castro, party Central Committee second secretary and FAR minister, has visited Holguin's provincial party headquarters, where he watch the televised national main ceremony marking the 33d anniversary of the Moncado Barracks attacks held in Sancti Spiritus.

Raul noted the successes achieved by Sancti Spiritus Province after the triumph of the revolution and characterized Commander in Chief Fidel Castro's remarks as suitable for our times.

SATELLITE TV STATION SCHEDULE, PROGRAMS NOTED

FL291503 [Editorial Report] Havana Tele-Rebelde Nework at 100 GMT on 29 July, interviews RAmon Chile, international technical center director, and Danilo Cirio, programming director of the new Cubavision satellite television station.

Mr Chile explained that the station is using the Soviet stationary satellite number four, which covers the Atlantic coast of North, Central and South America, the Caribbean, Europe, and Africa. He notes that the signal is transmitted on 3.7 (?diahertz) in the 7.5 mHz bandwith. They have been informed that Cuban internationalists in Angola and Ethiopia and Cuban diplomatic missions in Moscow and Nicaragua have satisfactorily received the signal which began broadcasting on 26 July.

Danilo Cirio indicates that initially Cubavision will transmit three times a week -- on Friday, Saturday, and Sunday -- for approximately 3 hours each day starting at 1800. This schedule will continue until the end of the year and will be gradually expanded to broadcast 8 hours a day. Cirio notes that the new channel uses the best of Tele-Rebelde and Cubana televison programming, with the exception of a newscast which is produced especially for the international channel.

BRIEFS

MAURITIUS, TOGO AMBASSADORS -- Vice President of the Council of State Carlos Rafael Rodriguez has received the credentials of ambassador of Chitmansing Jesseramsing of Mauritius and Ambassador (Kwam Kouassi) of Togo. [Excerpt] [Havana Radio Rebelde Network in Spanish 2300 GMT 30 Jul 86 FL]

BAHAMAS

PINDLING IN LONDON, CHAIRS COMMONWEALTH MEETING

FL301627 Nassau Domestic Service in English 1200 GMT 30 Jul 86

[Text] Prime Minister Pindling, armed with a mandate from the Caribbean leaders to use every means possible to further the objectives of the Nassau Accord, is in London this morning. The prime minister is there for a meeting of seven Commonwealth heads. They will review the work of the Group of Eminent Persons in regards to the situation in South Africa. The eminent persons group's report earlier had said the situation in South Africa was not getting any better, that the South African Government was showing no real signs of dismantling the apartheid system.

The prime minister will be chairing the meeting of seven Commonwealth heads and, depending on progress, there could come a call for a meeting of all Commonwealth heads to deal with the situation.

Debbie Battlet was at the airport as the prime minister left for London last evening. She reports this morning that Sir Lynden has some definite ideas about handling the situation.

Prime Minister Pindling says South African President P W Botha must stand firm because he has very adamant extreme right-wings in his party and so he is not free to make any concessions. However, he remains optimistic about the results of the upcoming meeting. [passage indistinct]

JAMAICA

SEAGA DEFEATED; PNP SWEEPS MUNICIPAL ELECTIONS

FL301437 Bridgetown CANA in English 1450 GMT 30 Jul 86

[By Paget Defreitas]

[Text] Kingston, Jamaica, July 30, CANA -- The opposition People's National Party (PNP) swept yesterday's municipal elections handing a heavy defeat to Prime Minister Edward Seaga's Jamaica Labour Party (JLP).

The election was fought on national issues and in a late night statement, Seaga conceded his party's defeat put into question the policies of his government which has held power since 1980.

He acknowledged that the PNP had gained the support of the voters.

It (the loss) obviously would need a good deal of deep looking at the party, at our organisation, at our candidates, at our policies, at our members of Parliament and, if I may say so, at our leadership, Seaga said.

The twice-postponed poll was the first real contest between the two major parties since 1980 when the JLP won power, the PNP boycotted a snap general election three years later to press for electoral reform.

It campaigned this time on the premise that the election would be a referendum on the austere economic policies of Seaga, suddenly changed in May with an expansionary budget.

The next step has to be general elections, Manley said last night.

Manley said the result of the election indicated that it was time for a serious reflection on Jamaica's future.

I think this has been a very substantial expression of opinion by the Jamaican people in the contest of a judgement both on this government and on the fact that we don't have a normal democracy operating, he said in a reference to the country's one party parliament.

An estimated 60 percent of the eligible 970,000 votes cast their ballots. Polling was marred by by scattered violence, administrative hitches and allegations of intimidation.

The deaths of two men yesterday were attributed to political activity. One man in St Thomas, eastern Jamaica, was shot dead in a scuffle near a polling station with a plain-clothes soldier in the military intelligence unit while in western Kingston, one died and another was hospitalised with gunshot wounds when passing bandits shot up a polling station. In addition, the body of a man was found after gunshots were heard in Spanish Town, just outside Kingston, but it was not immediately clear whether this was connected to the voting.

Electoral officials reported instances of individuals armed with guns forcing their way into polling stations and intimidating officials into letting them vote. Witnesses said supporters of both parties were involved.

Elsewhere two policemen were injured, one stabbed during a melee at a polling station and the other, a special constable sworn in for the day, shot during an attempted ballot box theft in a Kingston constituency, officials said.

There were also isolated reports of ballot stealing and late appearance of polling officials and furniture.

Just after the polls closed, Manley had claimed in a statement issued through a spokesman that there had been intimidation, provocation, and attempts to frustrate voters.

Views On JLP Defeat

FL302222 Bridgetown CANA in English 1928 GMT 30 Jul 86

[By Paget de Freitas]

[Excerpts] Kingston, Jamaica, July 30, CANA -- The defeat of the centre-right JLP in yesterday's municipal elections has placed Prime Minister Edward Seaga on a frayed political high-wire requiring an extremely delicate balancing act, analysts here say.

The result, they add, amounted to a rejection of Seaga's austere economic policies -- eased slightly in his May budget -- and gave support to calls for general elections by Michael Manley's PNP.

People are hungry and people are unemployed, said South African-born novelist and political commentator Peter Abrahams, who has lived here for nearly 30 years.

These are the grass-roots reasons for the vote, he added. The unofficial results so far show the PNP winning 10 and possibly 11 of the 13 municipal authorities, taking approximately 57 per cent of popular vote on an estimated 60 per cent voter-turn out. There are over 570,000 persons on the voters register.

The results confirmed a big swing back to the democratic socialist PNP since the 1980 general election that produced a JLP landslide with figures approximating those of yesterday's poll.

It was in fact the first real contest between the two parties since that bitter election that pitted Seaga's free enterprise, pro-American programme against Manley's social democratic ideals in a campaign that cost nearly 800 lives. [passage omitted]

Seaga has recognised that he has a big problem and that he needs to re-assess his programmes as well as the party.

It obviously will mean a good deal of deep looking at the party, at our organisation, at our candidates, at our members of parliament, at our policies, and if I may say so, at our leadership, he said after the PNP victory was clear.

In fact, Seaga has already been doing some reflecting on the policies that have cost his government dearly in popular support.

After years of dutifully pushing through International Monetary Fund (IMF) and World Bank requested programmes that required hefty devaluations of the local dollar, the firing of thousands of public sector workers, cuts in public spending, and economic deregulation, the prime minister balked last October.

At the IMF/World Bank meet in Seoul, he complained about the short time span they gave developing countries to carry through painful adjustment programmes and said that, despite doing everything required of it, the Jamaican economy was still in trouble.

He invited the two institutions as well as the U.S. Agency for International Development (USAID) to send a joint mission to the island to take a fresh look at the economy and to assess the government's view that it was time to induce growth rather than further contraction.

The mission disagreed with Seaga, and in their report called for more bitter medicine through further devaluations and additional public sector job cuts.

With an election around the corner and his party trailing in public opinion polls, Seaga threw out their report, and in May presented an expansionary budget aimed at stimulating a more than five per cent growth this fiscal year, against the big decline in 1985-86.

Savings from falling oil prices were used to provide subsidies on a number of basic good and other items.

In essence, according to University of West Indies economist Dr Omar Davies, Seaga has for the past few months been defying these institutions which are major factors in any equation on the Jamaican economy.

The island is currently only a little over half-way through a 22-month IMF agreement, and the fund and the government are negotiating on this fiscal year's programme.

Seaga has said that he has a contingency programme if the institutions force him to push through more austerity.

But economists point out that the government needed the fund's seal of approval if it is to approach foreign creditors and institutions for aid and the inevitable need to further rescheduling some of the country's U.S. 3.3 billion dollar external debt.

In this scenario, the prime minister might be forced to reach an accomodation with the fund, and possibily risk further eroding the 43 per cent of the vote captured in yesterdays election.

Mr Sega might have to take the plunge for the next few months (and continue to defy the institutions with his government spending) and then go for the general (election), Davies said.

But there is also a view that his defeat could provide the prime minister with a bargaining chip -- the argument that he is a more reliable customer of the free enterprise product than Manley would be.

In any event, Seaga, who has a reputation for toughness, is likely to face considerable pressure that will require all his noted political skills.

In spite of Mr Seaga's posture of being super-tough he has increasingly become subjected to the PNP opposition pressures, said comentator professor Carl Stone.

Now that the people spoken, I hope everybody respects the implications of the statement, said former prime minister Manley.

INDIA GIVES LINE OF CREDIT; TERMS CITED

FL242212 Bridgetown CANA in English 2153 GMT 24 Jul 86

[Text] Kingston, Jamaica, July 24, CANA -- India has given Jamacia a J4 million dollar line of credit for the purchase of Indian goods, the Export-Import Bank announced.

The bank said the facility will be open to both the public and private sectors for a wide range of goods.

They include chemical and pharmaceutical plant and machinery, earth moving equipment, leather tanning and processing machinery, power generation transmission, distribution equipment, and textile machinery.

The Ex-Im Bank said that under the terms, it will finance 90 per cent of the fob value of the goods, with the Jamacian importer required to find 10 per cent, which must be paid to the Indian supplier at the signing of the contract.

The rate of interest will be 11 per cent plus the bank's two per cent service charge.

There is currently little trade between Jamacia and India, and India High Commission officials say they hope his could lead to the opening of a new trading gate between the countries.

If this take off, maybe we can identify also areas of imports from Jamaica, a high commission trade official said.

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JOINT CONGRESS DOCUMENT SIGNED WITH BRAZIL

PY310344 Buenos Aires TELAM in Spanish 2030 GMT 30 Jul 86

[Text] Buenos Aires, 30 Jul (TELAM) -- Argentine and Brazilian congressmen today signed a joint document promoting the creation of a binational forum, which will include other countries as well, to analyze Latin American political, economic, and social issues.

The document was issued during a meeting at the National Congress, where an agreement was reached to give concrete answers to certain subjects related to the region.

Radical Civic Union [UCR] Deputy Federico Storani, head of the Chamber of Deputies Foreign Relations Committee, termed the congressional document historical because it ends rhetoric and hollow good intentions that previously existed.

The document stresses the approval of the summit conference between Presidents Raul Alfonsin and Jose Sarney, which ended with the signing of economic cooperation and integration agreements between Brazil and Argentina.

The congressmen also repudiate apartheid, encourage Latin American democrats, and ratify the political origin of the foreign debt of Latin American countries.

In the document, they also request a summit of Latin American presidents and ask for the withdrawal of the military presence of the world powers from the South Atlantic. They reject any form of foreign intervention in National Latin American territories.

The Argentine and Brazilian congressmen state that it is necessary to free ourselves from all forms of oppression in order to win our sovereignty and independence. They recall the colonial period and the different forms of dominance that led them to internal wars and artificial crises.

They state that democracy is a form of permanent people's power. Therefore Latin American political forces are always committed to fighting for democracy and to eradicating illiteracy, ignorance, unemployment, and misery.

The document was signed by Argentine Senator Adolfo Gass (Radical Civic Union, UCR, Buenos Aires Province), president of the Senate Foreign Relations committee, and by Deputies Federico Storani (UCR, Buenos Aires), Jose Bordon (Justicialist Party Renewal faction, Mendoza Province), Maria Julia Alsogaray (Democratic Centrist Union, Capital), and Oscar Alende (Intransigent Party Buenos Aires).

The Brazilian congressmen who signed the document are: Senators Cid Sampaio (Liberal Front Party) and Joao Medieros Calmon (Brazilian Popular Mobilization Party PMDB), and Deputies Haroldo Borges Rodrigues Lima (Brazilian Communist Party), Joao Hermann Neto (PMOB), and Vasco Acevedo Neto (Christian Socialist).

BRIEFS

AUSTRAL DEVALUATION -- For the tenth time in four months, the Central Bank has devalued the austral by one cent against the U.S. dollar. The $1 dollar now costs 0.92 Australes, a 1.10 percent increase. This devaluation was made 7 days after the last one which shows that readjustments are being made more frequently. [Summary] [Buenos Aires Domestic Service in Spanish 29 Jul 86 PY]

VICE PRESIDENT PROPOSES U.N. ANTIDRUG FORCE

PY312248 Madrid EFE in Spanish 0108 GMT 31 Jul 86

[Text] La Paz, 31 Jul (EFE) -- Bolivian Vice President Julio Garret told EFE today that the internationalization of the fight against drug trafficking must be carried out within the framework of the United Nations. In the opinion of the Bolivian vice president, who is also president of the Andean Pact, according to the philosophy of the United Nations, "if the Bolivia task must be undertaken through an international force organized by the United Nations and it must receive the approval of Congress."

"If such UN international forces were to operate in Bolivia, with the approval of Congress, they would have to be replaced every 3 or 4 months to prevent their being corrupted by drug trafficking," he added.

In Garret's opinion, the "immediate" call for an international conference of drug-consuming countries has now become a priority; "to propose international cooperation in the fight against drug trafficking in Bolivia." According to the Bolivian vice president, "the great industrialist countries which consume drugs, such as the United States, FRG, England, Italy, France, Canada, Japan, and Spain," should attend the conference.

Concerning the U.S. participation in the antidrug-trafficking operations, Garret said that "the government will respond in Congress to all the objections to U.S. military participation in Beni Department (northeast of La Paz)."

He added: "These operations, however, have helped to break up drug trafficking in the country and to give international crediblity to Bolivia's intention to fight drug trafficking." According to the vice president, in Bolivia "misery, unemployment and the economic crisis encourage drug trafficking and are a "very good culture broth for it. A mere repressive policy will not reach the roots of the problem."

In conclusion, Garret told EFE that drug trafficking can only be eradicated "if a great national effort is made for this purpose. This effort will only be displayed when the consuming countries decide to cooperate with Bolivia through a plan aimed at creating economic options, particularly in the field of agriculture."

Bedregal Seeks Joint Effort

PY310008 Madrid EFE in Spanish 1805 GMT 29 Jul 86

[Text] La Paz, 29 Jul (EFE) -- Foreign Minister Guillermo Bedregal Gutierrez has stated that at a meeting to be held in Colombia, Bolivia will seek a joint effort to counter drug trafficking, an effort that may also include other countries. The foreign minister has said that the Bolivian Government will discuss the need to conduct an international campaign to control and exert pressure on drug trafficking, with the heads of state who will meet in Colombia on 7 August for the inauguration of president-elect Virgilio Barco Vargas. "The Bogota meeting will be useful because information will be exchanged in order to conduct a concerted struggle against drugs, a scourge that is harming various social sectors," the foreign minister stated.

Bedregal will attend the presidential inauguration in Colombia, representing President Victor Paz Estenssoro. The foreign minister's comment came after the U.S. Government announced that within 60 days it will withdraw from Bolivia its military troops trained in antidrug operations, who arrived on 14 July.

Interior Minister Fernando Barthelemy Martinez has said that the government will negotiate with the EEC, the United States, and other Latin American countries for assistance, including equipment and logistical materials, in order to continue controlling and repressing drug trafficking so as not to leave unfinished the program that began in Bolivia with the cooperation of U.S. troops. Barthelemey said: "We have troops capable of controlling and repressing drug trafficking, but we lack funds and support. Because of this we will ask the U.S. Government to leave us its equipment."

MINISTER SAYS TAX LAW INCLUDES 'INFORMAL ECONOMY'

PY310303 La Paz PRESENCIA in Spanish 25 Jul 86 p 1

[Excerpts] The finance minister has stated that there is a very large informal economy that must be brought into the national economy. "It is for this reason the the tax law was issued, to take into account the great informal sector. In other words, we have moved from the traditional system to a new system that will control account all sectors of the economy."

Referring to remarks by the Bolivian ambassador to the United States that the Bolivian economy receives $600 million from drug trafficking, he said that the ambassador was referring to the informal economy, within which drug traffickers operate. "This is all the more obvious because the export economy has been reduced by the drop in international prices of minerals and petroleum."

He believes that the operations against drug traffickers will have an effect because drug traffickers are suppliers of currency. "I can assure you, however, that the Central Bank is in a position to guarantee the stability of our money and the control of foreign currency because every peso that was put into circulation is backed by dollars. This means that, with half of its net foreign reserves, the government of Bolivia could redeem all the money it has printed." [passage omitted]

The minister said that among the achievements of the government's economic policy we can mention the elimination of hyperinflation and economic stability, because the handling of the finance sector is quite balanced. "Of course there are obstacles, but achievements can be seen when there are sufficient reserves and when it is obvious that money issuance is under control. Things have returned to normal, and problems (like drug trafficking) have no negative influence on our economic stability because in addition to the reserves, we have the support of gold, which we do not need to touch."

BRIEFS

UNEMPLOYMENT RATE -- Labor Development Under Secretary Alfonsin Rueda Pena has reported that from August 1986 to July 1986 the Bolivian unemployment rate increased 1.5 percent. [Excerpt] [La Paz PRESENCIA in Spanish 8 Jul 86 p 1 PY]

FOREIGN PUBLIC DEBT -- Finance Ministry sources have reported that the Bolivian foreign public debt totals $3,360,500,000. [Excerpt] [La Paz PRESENCIA in Spanish 10 Jul 86 p 1 PY]

PROPOSAL TO PEG DEBT PAYMENT TO GROWTH

PY010312 Paris AFP in Spanish 0110 GMT 1 Aug 86

[Text] Rio de Janeiro, 31 Jul (AFP) -- It was reported here today that next September Brazil will propose to its creditors the renegotiation of its $105-billion foreign debt by restricting amortization and interest payments to 6 or 8 percent of the Brazil's economic growth.

In remarks to the newspaper GAZETA MERCANTIL Henri Phillipe Reichstul, secretary general of the planning secretariat of the presidency, said that Brazil will invite the rest of the world, especially the international financial community, to help Brazil grow once again.

Reichstul said that the Brazilian Central Bank will start renegotiating its foreign debt next September, after it signs agreements for $31 billion with representatives of 750 creditor banks.

According to these agreements, short-term credits amounting to $15.5 billion will be renewed for 1 year, and $15.5 billion in principal and interest that came due in 1985 and 1986 will be paid off.

According to reliable sources, more than 80 percent of Brazil's creditor banks signed the agreements last weekend in New York. The others will sign in the next few days.

After saying that Brazil will negotiate the rescheduling of all its foreign debt with the private banks, Reichstul added that we are defining a negotiation strategy aimed at maintaining a constant annual economic growth rate of 6 to 8 percent.

He also said that Brazil is a developing country that has made several internal adjustments, and it is preparing to grow again. Despite the fact that we have a $12- to $13-billion surplus in our trade balance, we need to reduce the remittances of currency to pay the foreign debt. [passage omitted]

BUSINESS RESPONSE TO SARNEY'S PLAN MIXED

PY311840 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Jul 86 p 31

[Text] Some of the most important businessmen have judged the new economic measures announced last night by President Jose Sarney in the following way:

Cesar Rogerio Valente, president of the Rio Grande do Sul Federation of Commercial Associations [Federacao das Associacoes Comerciais do Rio Grande do Sul] has said that "whatever argument is used, (the measures) seek to accomplish just one thing: to cover the inefficiency of the government which once again seeks to transfer resources from the taxpayer to the public coffers." In the opinion of this businessman, "the measure is a simple breach of the promise made to the Brazilian people that prices would not rise. The government, that will not talk about unfreezing prices, has unfrozen the tax burden by the unexpected creation of a tax which will be applied to a large section of the Brazilian population."

Paulo Francini, 45, vice president of the Sao Paulo State Federation of Industries (FIESP), said: "The measures show coherence. It was necessary for the government to find a formula to accumulate resources with which to finance public investments."

Horacio Cherkasski, 63, president of the National Association of Paper and Cellulose Manufacturers [Associacao Nacional dos Fabricantes de Papel e Celulose] said: "My impression is that I have seen this movie before. Former Minister Mario Henrique Simonsen tried taxing gasoline consumption and didn't succeed. The so-called 'simonetas' [from Minister Simonsen's name] could never be applied. I understand the government's initiative, but I can't see how it will be implemented."

Fermino Rocha de Freitas, 62, president of Bravox, said: "The measures show a degree of intelligence and fair play, especially when compared to the compulsory loans and taxes created by some former governments."

Arthur Joao Donato, 63, president of the Rio de Janeiro Federation of Industries (FIRJAN), said: "The compulsory loan will correct a distortion generated by the Cruzado Plan, which has caused an exaggerated consumption due to frozen prices. Even though it might hurt, it is the only alternative if we want to revitalize the economy of the country."

Luis Roberto Andrade Ponte, president of the Brazilian Chamber of the Civil Construction Industry [Camara Brasileira da Industria da Construcao Civil] said: The compulsory loan will mean new resources that are not inflationary."

Alberto Sehbe Simon, president of the Rio Grande do Sul Shop Managers Federation [Federacao dos Diretores Lojistas do RS] said that "the government's credibility will be in jeopardy if the new measures put pressure on final consumer prices."

Luis Salles, 51, president of Inter-American Salles and first vice president in charge of the presidency of the Brasilian Association of Publicity Agencies (ARAP) [Associacao Brasileira das Agencias de Propaganda] said that: "The cooling of demand should not cause any harm to the publicity business, even though the industry will be left with some idle capacity."

Odilon Fernandez de Queiroz, manager of Mappin Shops, thinks that "the measures should not discourage consumption. The government measures will affect the upper middle class (buyers of cars and people accustomed to traveling abroad), but not the large majority of consumers."

BRIEFS

POLIO CASES DETECTED -- The Health Ministry has confirmed that out of 145 cases of polio reported during the first 5 months of this year throughout the country, 122 cases were found in the northeast. Joao Batista Risi, national secretary for prevention and education of the Health Ministry, said that the main reason for this increase in the number of polio cases in the country is that many children have not been vaccinated, or have received only one dose of the vaccine. Risi recommended that the parents of children under 5 have them vaccinated during the next vaccination campaign set for 6 August. During this campaign, the vaccines used will be slightly modified to more effectively combat the type 3 polio virus, which has been detected mostly in the northeastern region, in the states of Sergipe and Paraiba. [Summary] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 23 Jul 86 PY]

INTERNATIONAL PRESSURE 'INHIBITS' PINOCHET

PY310250 Santiago Radio Chilena in Spanish 2300 GMT 30 Jul 86

[Relay from La Moneda Palace by Eliana Henriquez]

[Text] President Augusto Pinochet admitted tonight that he cannot take stronger measures against terrorism because he feels inhibited by international pressure. Speaking to a group of young people and women at the Diego Portales Building, the chief of state said that in other countries said to be democratic, assassinations and killings are perpetrated, while the Government of Chile is looking out for the tranquillity of the people.

Pinochet said that he cannot take further measures because he feels that his hands are tied by international reactions. The politicians are slandering the country abroad, said Pinochet, adding that they travel abroad to defame Chile, inventing stories about the country. They go abroad to spread slander and to beg for money so that they can continue their opposition to the government.

In his impromptu speech, Pinochet said that the politicians have never done anything for Chile, because they have turned politics into a profitable business. They want to return because, having been out of business for 13 years, their pockets are empty. The chief of state then told the young people not to let themselves be deceived by communism, which is the worst tyranny that can exist. He asserted that the government is struggling for freedom, happiness and life. I am willing to lay down my life, Pinochet emphasized, for the freedom of every one of you.

These remarks were made by the chief of state to a group of women and young people who attended a meeting organized by the Directorate of Civilian Organizations.

From the Diego Portales Building, Eliana Henriquez reporting.

THREE MINISTERS REACT TO ABRAMS REMARKS

Comment by Delano

PY312230 Santiago Radio Chilena in Spanish 1700 GMt 31 Jul 86

[Text] Economy Minister Juan Carlos Delano has stated that the elections scheduled for 1989 in the country have been guaranteed by President Pinochet and by the 1980 Constitution. We Chileans must not get excited over the threats voiced by some U.S. congressmen, he said.

The economy minister has thus reacted to remarks by Elliot Abrams, U.S. assistant secretary of state for inter-American affiars, who stated that the decision to approve the granting of loans to Chile by multilateral organizations will depend on the improvment of the human rights situation by Pinochet's regime, and on the development of the democratic process.

[Begin Delano recording] I do not think there is anything definite in this regard. The only thing we can do now is listen to some comments, but I do not really believe that the United States is aware of what it is doing, or of what is being done in Chile regarding the electoral process, which was requested by the U.S. Administration for 1989.

Of course this process has been guaranteed by the president of the Republic and the Constitution. I think these are mere comments and there is no reason for us to be nervous. I think this issue will be decided on during the last quarter of the year. There is still some time until then, and I do not see why we should adopt measures or become nervous about it. [end recording]

Delano also referred to the talks held with top leaders of the World Bank and the IDB.

[Begin Delano recording] All talks have been kept on the technical level, and it was stated that Chile has a well-balanced economic sector, and that we are fulfilling all our agreements with the IMF and the World Bank. Moreover, we are increasing production, we are increasing production, we are increasing investments, we are increasing savings. Therefore, I think this country is serving as an example for many other countries with similar problems. In this regard, I think the multilateral organizations are using us as an example, and it would be absurd to correct an example through a political measure which is not in keeping with justice or with efforts not only by the Chilean Government, but also by the Chilean people to comply with this new international situation. [end recording]

The economy minister made these remarks during a visit he made at noon today to the Andromaco Pharmaceutical Laboratory.

Remarks by Garcia

PY312206 Santiago Radio Chilena in Spanish 1700 GMT 31 Jul 86

[Relay from Mobile Unit No 6 in the Carabineros School of Santiago by unidentified reporter -- live or recorded]

[Text] There will be no cabinet change, Interior Minister Ricardo Garcia said today after attending a ceremony to bid farewell to former Carabiners Subdirector Juan Bautista Alegria Valdes and to swear in his replacement, Carabineros Inspector General Oscas Torres Rogriguez.

Minister Garcia said the remarks by U.S. official Elliot Abrams were not made at random, but rather they must be understood within a general context.

Regarding the visit of the U.S. lawyers, Garcia said that they will have a good opportunity to observe how Chilean justice works. About relations with the Church, Garcia denied any deterioration. On the contrary, he said, there is an established dialogue with Church authorities.

The minister also referred to the latest terrorist actions, and described them as extremely serious. He compared them to recent events in the Middle East, adding that extremism affects any sort of regime. Terrorism is not aimed at any particular government, he said, it is aimed rather at destroying human lives.

No Comment by Del Valle

PY312147 Santiago Radio Chilena in Spanish 1700 GMT 31 Jul 86

[Text] Elliot Abrams, U.S. assistant secretary of state for inter-American affairs, today stated that the United States might vote against the granting of new loans to Chile to put pressure on the current government to improve the human rights situation in the country.

Abrams referred to this possibility in remarks to the U.S. House of Representatives Bankin subcommittee. We should note tht Abrams has already said that President Pinochet's government must begin preparing an electoral list and legalize the political parties. Now, pressured by congressmen wanting to know whether Washington will continue approving loans to Chile, Abrams said he will recommend that the government vote no.

So far, the Reagan administration has never voted against the granting of new World Bank and IDB loans to Chile. Last year, however, it abstained from voting on three occasions. According to some observers, these abstentions have helped bring about the lifting of the staet of emergency that had been in effect in Chile.

Abrams added that he is against al bill that would prevent the authorization of any loans to Chile for 1 year. According to him, the United States must continue with its policy of flexibility toward Chile. Otherwise, Abrams stated, the Chileans might decide to sever all relations with the United States.

This report has had immediate repercussions at the Chilean Foreign Ministry. Reporter Jose Francisco Contreras will give us further details on this from the Foreign Ministry. Good afternoon, Jose Francisco.

[Begin Contreras relay] Foreign Minister Jaime del Valle categorically refused to comment on cable reports of possible U.S. rejection of future loans to Chile. The report coming from Washington states that Elliott Abrams, assistant secretary of state for inter-American affairs, has said he will recommend that his government vote against a $250-million loan for Chile by the World Bank unless the Chilean military regime ends human rights violations. The U.S. decision regarding this loan has not yet been made. According to Abrams it will depend on human rights developments in Chile.

A few days ago, Del Valle expressed optimism, stating that the United States would not adopt economic sanctions against Chile because such measures would only affect the people and not the government, and that they would favor Marxism. Asked his opinion today on Abrams' comment' the foreign minister categorically refused to comment. He was also questioned about Pinochet's comment that he is inhibited by foreign pressures from adopting certain measures. Del Valle again refused to comment to the press. [end relay]

AIR FORCE COMMANDER DECRIES 'HASTY REACTIONS'

PY311459 Santiago Domestic Service in Spanish 1100 GMT 31 Jul 86

[Text] During an unscheduled press conference at the Cabo de Hornos Hotel in Punta Arenas, Chilean Air Force commander in chief General Fernando Matthei said: I believe we have realized we must begin building Chilean institutions. Gen Matthei made this statement shortly after arriving in Punta Arenas to attend a ceremony honoring three pilots who died in a collision between two planes.

Matthei said this is the time to work on national institutions, and I believe this is what we and the wise people who want democracy are doing. If we do not have democracy today, and if we are eagerly trying to build a democratic system, it is because, as Jorge Alessandri said in his opening remarks at the Council of State, our democracy fell to pieces under the weight of its own weakness, Matthei said.

The Air Force commander said that to build something new is very difficult and calls for considerable patience and imagination.

Asked to give his opinion on the situation in our country, he replied that it is calm. However, there are always problems about which Chileans are concerned, he stressed. There are controversies such as the ones which we have just read about here in Punta Arenas and in Santiago and which are part of a nation's daily life. There are people who react hastily to a situation when they should remain calm and conduct themselves more wisely. For example, they talk about a horrendous crime before such a horrendous crime has even been confirmed. At least, this is what the judge said, and he has not indicted anyone for any horrendous crime, but rather on charges of negligence. Consequently, one should expect more prudence from some organizations and people, Gen Matthei told the journalists.

Explains Opposition to Party Law

PY010208 Santiago Radio Chilena in Spanish 2300 GMT 31 Jul 86

[Relay from Punta Arenas by Rodrigo Araya]

[Excerpts] Air Force Commander General Fernando Matthei has stated here in Punta Arenas that if the law on political parties has not been promulgated yet, it is because of him. He explained: I have opposed this law because the number of signatures required to form a political party is unrealistic.

The Air Force commander made these comments during a visit to this zone, where he participated in a memorial service at the site where two aircraft crashed 3 weeks ago. Since then three Air Force officers have been declared missing. [passage omitted]

On this occasion the Commander referred to various issues such as the promulgation of the law on political parties. In this regard he stated:

[Begin Matthei recording] The executive branch hopes to promulgate it in March 1987 so we will see what happens. Everyone is aware, and I have said it here too, that there is a (?serious obstacle) involving the number of signatures required. I think that it is a bit unrealistic. If the law has not been promulgated yet it is because I am against it. I hope we will be able to agree on a more realistic number. [end recording] [passage omitted]

FRESNO 'REGRETS' INTERPRETATION OF HIS COMMENTS

PY010005 Madrid EFE in Spanish 1557 GMT 31 Jul 86

[Excerpts] Santiago, 31 Jul (EFE) -- In public comments aired by the Santiago archbishopric press office, Cardinal Msgr Juan Francisco Fresno defended the "authority of a priest to refer to subjects related to the moral standards of the people."

In the document, the Santiago archbishopric "regrets the interpretation which most of the Supreme Court of Justice has given to the statement made by Msgr Fresno." [passage omitted]

Msgr Fresno's statement was prompted by Judge Echavarria's sentence. Fresno noted the impact that Echavarria's decision would have on the prestige of important Chilean institutions.

The cardinal's statement was rejected by the Chilean Supreme Court of Justice, which asserted that statements like the one made by the cardinal only "serve to instigate the public and undermine the prestige of the courts."

Today, Cardinal Fresno regrets this interpretation. Meanwhile, criticism has increased against the judicial branch's performance during the past few years, especially since September 1973, when a military coup brought General Augusto Pinochet to power.

On the afternoon of 30 July, some 100 persons belonging to "Sebatian Acevedo Movement Against Torture" gathered inside the Supreme Court building where they left a letter for Special Judge Alberto echavarria.

The letter states: "We reject your recent ruling regarding the case of the youths who were burned alive by military personnel, because it is false, unjust, and outrageous."

According to the "Movement" the judge's ruling is "outrageous because it conceals a horrible crime and protects the practice of torture." The letter concludes by stating "your resolution definitely discredits the Judicial Branch before the entire citizenry."

The "Movement Against Torture," comprised mainly of priests and nuns, adopted the name (Sebastian Acevedo) of a father who, desperate over the disappearance of his son, and the Chilean authorities' denial that he was being held under arrest, set fire to himself at the entrance of Concepcion Cathedral 4 years ago.

Sebastian Acevedo died a few hours later, publicly asking forgiveness for having committed suicide, but "happy" because the police forces, after Acevedo immolated himself, admitted that his son was under arrest.

Valdes Supports Cardinal

PY010122 Santiago Radio Chilena in Spanish 1700 GMT 31 Jul 86

[Text] The Supreme Court's response to Santiago Archbishop Fresno's request to clarify the case of the burned students has startled the Chilean public. This statement was made by Christian Democracy [DC] leader Gabriel Valdes, who also expressed full support for the archbishop. Valdes said that the cardinal had respectfully made a request to a branch of the government because he was concerned about the case of the students.

[Begin Valdes recording] The Supreme Court's response is incredible. It reacted as if contempt of court had been committed. I think that if one reviews the history of Chile, one will find many cases in which moral authorities, even intellectuals, or scientists have bravely addressed a government to express their point of view.

In the cardinal's case, his statements were calm and, I believe he interpreted the people's feelings, because the crime of the burned students has reached deeply into the conscience of all the Chilean people and of people abroad, considering the news we get from abroad.

It is therefore natural that those whose mission is to look after morals, justice, and peace should ask the court to quickly clarify the case. This is particularly true because, as the archibishop said, the crimes committed in Chile over the last 13 years have not been solved. [end recording] [passage omitted]

Gabriel Valdes added that the many crimes committed abroad and in Chile have discredited Chilean justice. [passage omitted]

He said that the government should drop the charges against the Vicariate of Solidarity and the leaders of the National Civic Assembly because they have not committed any crimes. Finally, the DC has issued a statement denouncing the increasing vulgarity and lack of manners in the ruling class.

COURT RELEASES VICARIATE DOCTORS ON BAIL

PY301647 Madrid EFE in Spanish 0332 GMT 29 Jul 86

[Text] Santiago, 28 Jul (EFE) -- The Supreme Court today ordered the release on bail of doctors Alvaro Reyes and Ramon Rojas who have been tried by the military court in a case in which the Vicariate of Solidarity of the Santiago Archbishopric appears to be involved.

The doctors have been under arrest for approximately 80 days, together with lawyer Gustavo Villalobos and Doctor Ramon Olivares, members of the Vicariate.

Both the doctors, who were set free today, and Villalobos and Olivares are being tried by the Santiago military court, accused of having given aid "to combat groups" of the opposition.

Everything began on 28 April when Villalobos and Olivares tried to administer first aid in the Vicariate's infirmary to Hugo Gomez Pena, who had sustained a bullet wound in the buttocks.

Gomez Pena told the Vicariate that he had been walking and had been caught in the middle of a shoot-out between Carabineros and assailants of a bakery. He said that he had been wounded accidentally.

Villalobos and Olivares, seeing the nature of the wound, sent Gomez Pena to the clinic hospital of doctors Reyes and Rojas, where he was given the assistance and later discharged.

The government asked the court to try the two professionals from the Vicariate of Solidarity and the two doctors from the clinic. It accused Gomez Pena of belonging to the opposition militia, which conducted the attack on the bakery. A carabinero was killed in the attack.

On 13 May, after being at large for several days, Gomez Pena sought the assistance of another doctor, Juan Macaya, who is also under detention.

Dr Macaya advised the Vicariate of Solidarity which in turn advised the military court. The military court then proceeded to detain the wounded Gomez Pena.

According to opposition press reports, Gomez Pena has cooperated with the court, accusing the detained professionals and denouncing persons who allegedly granted him refuge while he was at large. This, according some publications, could be some sort of revenge against the Vicariate of Solidarity for having placed him at the disposal of the court.

ANALISIS DIRECTOR ARRESTED; MAGAZINE SUSPENDED

PY301614 Paris AFP in Spanish 0444 GMT in Spanish 30 Jul 86

[Text] Santiago, 29 Jul (AFP) -- Juan Pablo Cardenas, director of the opposition magazine ANALISIS, was today arrested in connection with a criminal lawsuit brought against him by the Chilean Government. The government charges Cardenas with having committed libel against President Augusto Pinochet. The director is not being held incommunicado. The lawsuit against Cardenas and 29 other ANALISIS journalists and reporters is based on the Internal Security Law, which was also applied to the magazine. The front cover of today's issue of ANALISIS, which was confiscated by the Chilean police, carries the headline: Pinochet Alone.

Speaking at the court house before being arrested, Cardenas said: This will not intimidate us. We will still continue to perform our reporting activities.

Judge Leonel Beraud has ordered that ANALISIS, which has always criticized the military government, suspend its publications for five weeks.

Cardenas said: If the suspension of our magazine is extended and if they attempt to intimidate us, we will still continue to perform our professional duty, which comes before any of the arbitrary provisions enacted by this regime. Cardenas' lawyer Guillermo de la Jara announced that he will file a motion in court to protest the five-week suspension of ANALISIS. Ignacio Gonzalez, president of the Chilean Journalists Association, said: The government is harassing ANALISIS: it is simply seeking to eliminate this magazine.

73 STUDENTS HANDED OVER TO INTERIOR MINISTRY

PY311443 Santiago Domestic Service in Spanish 1100 GMT 31 Jul 86

[All numbers as heard]

[Text] Seventy-three students arrested on charges of seizing educational facilities have been placed at the disposal of the Interior Ministry. Of the 341 students arrested after the seizure of the University of Chile law school and the Santiago Professional Institute on 29 July, only 73 are still under arrest. The 73 students are charged with violating the state security law.

At the law school, police arrested 117 students after removing them from the premises. Of these 117 students, 49 are still under arrest at the 19th police station, at the Interior Ministry's request. Twenty four of the 251 students arrested at the Santiago Professional Institute are still under arrest at the 2d police station in Santiago.

BRIEFS

TRAFFICERS ARRESTED IN SANTIAGO -- The 2d Narcotics and Dangerous Drugs Brigade of the Investigative Police in Santiago has arrested cocaine traffickers Alfredo Angel Navarrete, 23; Patricio Higinio Flores, 21; and Ramiro Mar Pacheco, 25. Some very pure cocaine worth 300,000 Chilean pesos was found in their possession. [Summary] [Santiago Domestic Service in Spanish 1700 GMT 26 Jul 86 PY]

SEVEN PRESIDENTS TO ATTEND BARCO INAUGURATION

PA312317 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 31 Jul 86

[Text] Bogota -- Seven chiefs of state, 13 foreign ministers, several vice presidents, and other top government officials of Latin America, Europe, and Asia will attend the inauguration of President Virgilio Barco Vargas. The new president's press office has confirmed that the presidents of Panama, Honduras, El Salvador, Uruguay, Venezuela, Costa Rica, and Peru will attend the ceremony. The vice presidents of Guyana, Ecuador, Korea [not further identified], the Soviet Union, the United States, Poland, Hungary, and the FRG will also attend.

SUPREME COURT MAGISTRATE KILLED IN ATTACK

PA311410 Madrid EFE in Spanish 1355 GMT 31 Jul 86

[Text] Bogota, 31 Jul (EFE) -- According to authorities, Hernando Baquero Borda, a magistrate of the Colombian Supreme Court of Justice, was killed today during an attack in Bogota.

Witnesses to the attack said that two men traveling on a motorcycle approached the vehicle carrying the jurist and his wife, Susana San Pedro de Barquero, in northern Bogota and fired at him repeatedly. After the murder, the motorcyclists clashed with Baquero Borda's bodyguards, three bodyguards were wounded.

Baquero, who had been a magistrate of the republic for more than 5 years, was unhurt during the occupation by the M-19 of the Palace of Justice in November 1985 that resulted in [word indistinct] dead.

Details on Murder, Suspect

PA311551 Madrid EFE in Spanish 1447 GMT 31 Jul 86

[Text] Bogota, 31 Jul (EFE) -- A man presumed to be one of the killers of Colombian Supreme Court Justice Hernando Baquero Borda was caught by police several minutes after the attack in which the justice, one of his police escorts, and a 17 year-old were killed. In a swift reaction to the attack, the police were apparently able to catch one of the killers, who according to Radio Cadena Nacional (RCN), is a young, 1.6 meter-tall, dark complexioned man. the description matches the descriptions of the killers furnished by eyewitnesses to the attack.

Justice Baquero Borda, who was a member of the Supreme Court of Justice's criminal repeals court, died after two men on a moving motorcycle fired at the vehicle in which he was traveling, on a street in northern Bogota. Cne of his police escorts and a motorcycle rider who happened to be traveling down that same street were also killed during the attack. Three other members of his bodyguard corps, as well as the justice's wife, Susana San Pedro de Baquero, who was in the car with her husband at the time of the attack, were wounded. Baquero Borda, who had been on the court for more than 5 years, emerged unhurt last November from the occupation of the Justice Palace in downtown Bogota, which ended on 7 November with a toll of over 100 dead, including 11 of Baquero Borda's colleagues. The police have initiated a large-scale operation in an attempt to track down the culprits, who according to eyewitnesses, fled on a powerful motorbike toward western Bogota, where reports indicate that one of the two killers has been caught.

ARMY CLASHES WITH FARC, M-19 GUERRILLAS IN TOLIMA

PA290415 Bogota Television Service in Spanish 0000 GMT 29 Jul 86

[Text] There have been four attacks on vehicles during the past 15 days on the road that links Chaparral to Rio Blanco, in Tolima Department. Reports say that the situation has worsened in the past 24 hours. Although there has been a relative calm, two soldiers and an undisclosed number of guerrillas were casualties in recent clashes.

New clashes between the Army and M-19 guerrillas have been reported. The guerrillas ambushed a 3rd Brigade patrol yesterday in the rural zone of Chaparral municipality, killing two soldiers. In the clashes that followed, 10 guerrillas were killed, according to the 3d Brigade spokesmen.

Farc and M-19 Guerrillas from Valle Department, are operating in the area of Rio Blanco. Meanwhile, a clandestine grave containing 27 bodies was found in the Toribiio area. These bodies are supposedly members of the Ricardo Franco Front, victims of a purge which so far has left more than 200 dead in the region.

A commission from the Justice Department and the governor's office of Cauca Department was participating this afternoon in the removal of the corpses.

BRIEFS

DRUG TRAFFICKERS ARRESTED -- F-2 agents of Bogota captured Hernan Munoz Sanchez, Oscar Solano Espitia, Walter Alfonso Nino, Jose Villamil Cardenas, Jesus Pelaez Bello, Arturo Montenegro Lizarralde, and Hector Augusto Hernandez Sanchez when they were trying to ship 52 kg of pure cocaine to the United States. The cocaine was hidden in a flower shipment. The F-2 agents also seized three vehicles, six firearms, and a bullet-proof vest. The cocaine shipment has a value of approximately 100 million pesos. [Summary] [Bogota EL TIEMPO in Spanish 9 Jul 86 p 7-A PA]

DRUG SEIZURE -- The F-2 of the National Police has seized 110 kg of pure cocaine and has captured two gang leaders Jairo Franco Munoz and Reinaldo Carvajal Castro, who headed the gang, were arrested during this operation. Colonel Fabio Campo Silva spokesman from the General Directorate of Investigations reported that the gang sold cocaine on the U.S. black market. The gang used clandestine airstrips in Colombia, Central America, and the United States during their operations. The cocaine was seized in Bogota. [Summary] [Bogota EL SIGLO in Spanish 13 Jul p 3 PA]

FURTHER DRUG ARRESTS -- Jairo Franco Munoz and Reinaldo Carvajal Castro were arrested today by a Narcotics Department commando unit led by Colonel Fabio Campos Silva, at an elegent home in Bogota. Franco and Carvajal, who purchased cocaine from producers at retail prices, had in their possession 110 kilos of cocaine in 103 bags. [Summary] [Bogota Cadena Radial Super in Spanish 1730 GMT 12 Jul 86 PA]

CLANDESTINE DRUG LABORATORY -- The national Police's Anti-Narcotics Group discovered a sophisticated laboratory in Alto Cuembi, Puerto Asis, and destroyed the installations. The following were also destroyed during the operation: Some 45,000 coca plants, 70 kilos of dried coca leaves, 2,000 grames of coca paste, 300 gallons of gasoline, 1,000 kilos of caustic soda, 10 gallons of sulphuric acid, 20 kilos of potassium permanganate, and other elements. [Excerpts] [Bogota EL TIEMPO in Spanish 16 Jul 86 p 2-A PA]

ENERGY MINISTER ON RESULTS OF OPEC MEETING

PA312315 Paris AFP in Spanish 0009 GMT 31 Jul 86

[Text] Quito, 30 Jul (AFP) -- Three of the 13 OPEC countries have rejected the quotas the organization has suggested to them, Ecuadoran Energy and Mines Minister Javier Espinosa reported from Geneva. Espinosa, who is alternate president of the OPEC, also commented on the OPEC talks in Geneva.

According to the official report, Espinosa said that two countries have fully accepted the quotas suggested by the organization, three rejected then, and the remaining eight -- including Ecuador -- accepted them conditionally. He also reported that seven countries have offered to reduce their production voluntarily, including Ecuador. He did not comment on the positions of the other oil-producing countries. Ecuador would reduce its daily oil production by 40,000 barrels. This represents 13 percent of its current production, according to Espinosa, who said there is hope that the other six countries will also come out in favor of a voluntarily reduction. Espinosa reveled that the voluntary oil-production cuts adopted by the seven countries amount to a daily reduction of 1.6 million barrels

ALFARO LIVES MEMBERS ATTACK IETEL GROUND STATION

PA261720 Quito Voz de los Andes in Spanish 1230 GMT 26 Jul 86

[Text] The IETEL (Ecuadoran Telecommunications Institute] ground station located in (?Valle de los Rios) was attacked early yesterday by six people who identified themselves as members of the Alfaro Lives group. As a result of the attack, two private guards were wounded, but the attack was repulsed by guards. Guards Bolivar Murillo and Pedro Diaz were seriously wounded when they exchanged fire with the assailants. The youths, who were allegedly members of the Alfaro Lives group, arrived at the IETEL ground station in a green jeep at approximately 1600 yesterday.

According to the guards, who work for the Cosmas Private Security Company, one of the youths got out of the jeep and drew the attention of the guards at the guardhouse located at the station's entrance. Meanwhile, two other youths climbed the fence and caught the guards who approached the entrance by surprise.

The youths overpowered Diaz, tied his hands, gagged him, and took the keys. They then drove the jeep in. They had to stop near the gigantic antenna due to barriers. One of the guards in that sector asked them for identification; the youths, four or five of them, fired their weapons, wounding him.

According to witnesses, another guard repelled the attack with a rifle, forcing the assailants to flee.

GARCIA INTERVIEWED ON DOMESTIC PROBLEMS

PM300746 Milan L'UNITA in Italian 27 Jul 86 p 1, 7

[Interview with President Alan Garcia by Maria Giovanna Maglie in Lima; date not given]

[Excerpts] Lima -- "They will not succeed in making me the second Allende," Garcia said. "I want to go down in history not as a martyr but as a president who gave Peru back its dignity as a great and ancient nation with confidence and prospects for its people. To do this will take time -- time for democracy. In a democracy you take steps forward, you even make mistakes, serious accidents occur, and you achieve large and small successes. I am young; I have no intention of falling into the trap of resignation or impatience." [passage omitted]

[Maglie] Mr President, how long will it take to complete your project, to alter this country's injustices? They are so glaring and desperate that, despite your optimistic figures, they strike even a hardened observer.

[Garcia] To alter the structure, you mean? At least 10 years. But that does not mean that the APRA [American Popular Revolutionary Alliance] party wants to remain in power for 10 years, of course.

[Maglie] Mr President, you won an exemplary election with 48 percent of the vote. You depend on the support of a left-wing opposition, the United Left, that has 30 percent of the vote. Nobody can question your government's democratic legitimacy.

[Garcia] Well then, if you are asking me how long it will take for a comprehensive transformation of society, including culturally, I would say 20 years. Let me tell you why. There are two further onerous impediments: egoism, encouraged for years by the situation, by television, and by the social model; and the weight of the state bureaucracy, a vast and very slow-moving apparatus with very low productivity. Well, under such conditions one must try to decentralize the state and democratize even the health service.

[Maglie] I visited Lima's Carrion a Callao hospital and gained the impression that one is unlikely to leave there alive.

[Garcia] I will tell you, moreover, that there is the problem of hospital service and the reconstruction of hospitals providing treatment for serious illnesses such as cancer and surgical treatment. But in Peru people die because they drink dirty water; because they contract a common virus; children die of dysentery. It is not even so much a matter of equipping hospitals as of providing preventive structures in places where people live and work. The same applies to housing. I do not intend to concern myself for the present with the middle class; it is the poorer people who must be guaranteed ownership of the land around Lima, loans to construct small houses with basic services -- water and electricity -- and social services such as health, welfare, and education, which is what we are doing now. And the same must be done in the Andean regions, in the provinces distant from Lima.

[Maglie] This is what we could call the medium-term program for the coming year. But how is it to be achieved in practice? Peru is a country poor in resources, dependent on imports, and internationally very vulnerable.

[Garcia] It is difficult, you are right. The major difficulty lies in the fact that not only wealth but also education -- ideological hegemony -- is in the hands of a few. So what can I do -- I believe the most radical left is wrong in this respect -- should I nationalize industry and entrust it to the same unproductive state bureaucrats? Should I nationalize industries and frighten a country unprepared for such a traumatic move? I believe that Salvador Allende encountered the same problem. No, people must see the model changing naturally during the course of time, see doors opening and problems being resolved. And these innovations must also make headway and be introduced in schools, in education.

[Maglie] What do you call this model of society, this bold blueprint? Socialism? And how do you reconcile it with the violence, the clash between the terrorism nurtured by poverty and the repression behind which are often the forces that want to change?

[Garcia] I call it a nationalistic model for social democratization which is confronted by the very serious problem of violence. And so we come to the latest events. I say that violence is now a structural element in Peru. Read the newspaper headlines. I am sure it is possible in Italy for a policeman to kill his wife or carry out a robbery without its becoming the news story of the day, every day. Violence is part of the country's consciousness, a deep-rooted legacy, and Alan Garcia cannot overcome this force by means of his charisma, his image. It will take a long, long time.

[Maglie] When you talk about violence what do you mean? The violence of the system; subversive violence; the violence of the history of a country split between winners and losers, colonizers and colonized, city dwellers and inhabitants of the Sierra; the violence of foreign capital?

[Garcia] The violence is in the "Pol Pot-ism" of Shining Path -- a barbaric movement entirely devoid of any respect for life and entirely divorced from the romantic ideals of liberation held by the people to whom I am close, such as Che Guevara. The violence is in the newspaper reports; in the television news which reels off lists of deaths and sequences of ghastly events; in the police forces, whoever has a weapon to use against those who have none; in the bureaucrat, who is strong compared to the poor man who needs something. Violence is everywhere. Let us be clear about this: Since 1948 there have been 600,000 deaths in Colombia. We have not yet reached this figure, but death here is amplified, propagandized. You ask me what I am doing about this. Well, the other day there was a riot by prisoners at a jail a long way from Lima. Once again orders were issued for vigorous but legal action to be taken. But those who intervened -- the police forces -- are imbued with this violence. What can I do? Violence in front of me, violence behind me; the violence of the means available to me. What can someone do who has only the law in his hands? [passage omitted]

[Maglie] Despite everything we have said, you are writing a speech in which you say that democracy in Peru is strong. How can you be sure of that?

[Garcia] Nobody in Latin America can rule out the possibility of a coup. But I think that democracy in the country is strong and that a process is developing. We are coming out of a conservative phase and an extreme monetaristic policy. We have begun a new period of economic revitalization and winning national independence. The Armed Forces are the same as they were 1 year ago when I became president; they have accepted the constitutional government and are committed to it.

And Peru's Armed Forces are certainly not equal to those in other Latin American countries. As far as I am concerned, I became president through the will of a people to whom we must explain and teach that this is not just an anti-inflationist spring but a long and difficult process of reviving productivity and the capacity to survive and develop as a country.

[Maglie] You describe yourself as socialist, revolutionary, and anti-imperialist.

[Garcia] Of course, it is impossible to be a socialist in Latin America without being anti-imperialist. This is because all our country's ills have external rather than internal causes. We are socialists because we do not believe in liberal capitalist ideas or system. Its result is the situation this country is in: On the one hand there is the famine of the rural districts, the Sierra, the urban poverty which is the result of migration from the rural districts; on the other hand there are a few people who benefit from the import of technology, from the dollar currency and the debt. We are beginning to dismantle this system without being so foolish as to kick against everything: the World Bank, the IMF, the Lima industrialists, and the people themselves, who, thanks to the mass media, have a capitalist model for their lives. First, I am paying what I can of my debt, I am paying 10 percent of what I receive for my exports, and I am therefore tying the value of products to the value of our currency. Second, I am reviving national industry. I do not mean that there is no room for foreign enterprise, I mean I am choosing without following a foreign-style consumer logic with foreign technology which is ultimately just consumption of a foreign product or simply assembling foreign materials and products. I am therefore trying to revive and redirect national industry. National production must be increased. How? By helping agriculture; for instance granting loans to restart the cultivation of hundreds of hectares of land in areas where farming has stopped.

Another thing is the circulation of dollars in the country. Just 1 year ago 38 percent of the currency in circulation was the national currency, all the rest was in dollars. We have now reached 81 percent. This is because it is much less convenient for small savers to save in dollars; this is because we have frozen or stopped large investments in dollars. And to those who protested, we replied: In exchange for your dollars here are soles, the national currency. You have no justification for continuing to grow rich at the country's expense. But, as you can see, this is a process which has only just been started and one which requires a great deal of time. It is a choice which a country ought not to make alone.

[Maglie] Are you referring to integration among Latin American countries? Do you think there is progress in this direction? It seems to me that all the others are continuing to pay interest on the foreign debt exactly as the World Bank is demanding.

[Garcia] The situation in many countries is becoming so terrible, they are becoming so involved in this continuous renegotiation of the foreign debt, that I am sure others will eventually follow our path. And if 7, 8 or 10 Latin American countries all say together: "Let us follow the same criteria for payment," then the world situation will really change. [passage omitted]

CHURCH CONDEMNS TERRORISM, FOREIGN DEBT BURDEN

PY302300 Paris AFP in Spanish 0235 GMT 29 Jul 86

[Text] Lima, 28 Jul (AFP) -- The Peruvian Catholic Church today questioned the moral obligation of paying a foreign debt when its terms cannot be accepted without lowering even further the standard of living and even the survival and development of our nation.

This was said by Cardinal Juan Landazuri during the Te Deum he celebrated at the Lima Cathedral on the occasion of the 165th anniversary of Peruvian independence.

Regarding the violence that Peru is presently experiencing, the Peruvian church has issued a fervent appeal for peace and for a national reconciliation, and it condemns both terrorist and antiterrorist violence.

The appeal also categorically states that those institutions or persons that cooperate or promote terrorism and participate in terrorist actions cannot be exempt from being condemned for their actions.

This statement was included in the sermon read by Father Carlos Cardo before President Alan Garcia, former President Fernando Belaunde Terry, members of the Cabinet and the diplomatic corps, Marxist Lima Mayor Alfonso Barrantes, and other authorities.

The sermon states that the church believes in democracy and that it encourage those efforts to achieve democracy.

The church wants to see a more representative democracy. It adds that the church is aware of the difficulties that must be overcome, among them economic difficulties, and particularly the nefarious effects of the foreign debt.

After stating that peace is being seriously jeopardized in Peru by the prevailing violence, the sermon adds that terrorism is an unequivocal social aberration an that with its logic of death, terrorism shows the horrors that can result from a moral deterioration that ignores the value of human life.

It also warns that in the struggle against terrorism, minds can be obliterated causing a vicious circle that harms society and provides terrorists with new reasons to hate the authorities.

Quoting Pope John Paul II, the sermon says that no one can ever call an assassination by a different name. May the vicious circle never be called logical, or unavoidable, or necessary.

The church adds that it grieves for those Peruvian families that have lost a father, a husband, or a son, by violence, and that in particular it grieves for the deaths of courageous an honest defenders of the nation.

EL PAIS INTERVIEWS NORIEGA ON SEVERAL KEY ISSUES

PM301130 Madrid EL PAIS in Spanish 20 Jul 86 pp 4-5

[Interview with Defense Forces Chief General Manuel Antonio Noriega by Jose Comas in Panama City; date not given]

[Text] Panama City -- The 48-year-old Manuel Antonio Noriega is the only general in Panama's Defense Forces and the real strongman in a country in which the Army plays the leading role in political life. Noriega was recently the target of attacks and extremely grave accusations in the U.S. press, including the accusation of being involved in drug trafficking. Military personnel close to him view this as a "conspiracy" instigated by the United States to avoid compliance with the treaty signed by Presidents Torrijos and Carter, which outlines the transfer to Panama of sovereignty over the Canal and its zone in the year 2000.

General Noriega received an EL PAIS special correspondent in his headquarters office in Panama City. Throughout the 1-hour interview he was surrounded by five colonels and answered every question put to him.

Question: General, you seem to have lost Washington's confidence.

Answer: (After 18 seconds' silence) I would like you to expand on that, because, put like that, it is a question which is very...

Question: The U.S. line is generally one of leaving a person alone if he is of benefit. Now the reprimand in THE NEW YORK TIMES and Helms' attacks in the Senate suddenly appear. Does this mean you have ceased to be trustworthy?

Answer: My status as a Panamanian and a member of the Republic of Panama's Defense Forces force me to comply with my country's interests, my nation's constitution, and my government's patriotic plans. This commander, all members of the Armed Forces, and all members of the Cabinet headed by President Del Valle operate within these working parameters.

Question: Do you believe that behind all this (the attacks in the United States) there is an attempt to destabilize Panama?

Answer: There are two things: The official statements made by our Foreign Ministry representatives and the official talks which Panama's representatives have had with members of President Reagan's government. They state -- and I emphasize this, because these are statements by the Panamanian Foreign Ministry -- that there is no attempt or desire on the part of President Reagan's government to harm the Republic of Panama. This is the official version. We Panamanians feel that the same old enemies exist and appear to want to deny Panama the right to self-determination in its own sovereign territory -- The canal strip, which is in our territory.

Question: So do you believe that there is an attempt to prevent the transfer of the Canal to Panama in the year 2000?

Answer: I do. We have sufficient evidence of the conspiracy and the insult which has been received, which was directed not against the commander of the Defense Forces but against the destiny of the Republic of Panama. That conspiracy lies in the same interests of the group which has opposed the signing of the treaties since 1970. That same political, social, and economic group exists and persists in the United States and will confront and attack any expression of nationalism and the Panamanian Republic's sovereign self-determination.

Question: Does this group reach as far as the Oval Office in the White House?

Answer: We could not say so, because that would be to run counter to a policy and statements by the White House, which says that they have no interest in destabilizing the Republic of Panama, that they have no interest in not transferring the Canal, that they are not interested in harming relations with Panama. We must accept that these statements are valid and good, since they come from a friendly government. We must locate the enemies in those ultraconservative groups which have always believed that the area where the overseas force operated was a territory which could be regarded as Algeria was regarded by the French.

Question: This direct attempt against you suggests perhaps that the United States has an alternative.

Answer: You cannot talk in generalizations concerning the United States. U.S. society has political groups with conservative attitudes, and it is to these that we are referring; to those who, without knowing Panama's history, claim that the Canal strip always was or belonged to their territory. It is to these that we are referring, and not to the government as such.

Question: Are you sure of Panama's Defense Forces? Of the new generation which will be at the top in the year 2000? Or do you intend to reach the year 2000 in this position?

Answer: (laughs) When the Panamanian students were struggling in 1964, in 1945, and in 1938, and when President Jose Antonio Remon said: "Neither millions nor charity; we want justice," he did not believe that he would be alive in 1999, when the treaty expires. When Torrijos set things astir, he did not believe, either, that he would live until the year 2000. It is good that people abroad know this struggle and realize that it does not date from this year or last year. This struggle began the year following the signing of the treaty (in 1903). People immediately began to struggle to remove the colonial enclave in the Republic of Panama. That is why nobody owns this struggle. Nobody, as a Panamanian, can claim to be the brains or the sole hero of this venture, which is a struggle lasting generations. Hence the commanders of the year 2000, the young people of the year 2000, will be the witnesses and the heirs of what is done or not done right now, in 1986.

Question: And if the opposition came to power? Or is that ruled out here in Panama?

Answer: Well, there is a situation here which leaves no room for doubt. The Panamanian people, without political distinctions, accept nothing, absolutely nothing, that is not in keeping with their national interests. This is an extremely nationalistic people, without being chauvinistic, without being disrespectful of or aligned with other left-wing or right-wing powers. This is a people who know and have suffered what it is to have a colonial enclave in the very heart of their territory, in half their territory. This people know what it is to have a foreign police force arresting their fellow countrymen. This people know what it is to be tried by foreign courts, with penalties which pertain to other states and to other laws, which are not Panamanian laws. That is why this people will never renounce their gain and their right to be sovereign.

Question: Even if the opposition wins?

Answer: Even if the opposition wins.

Question: You attribute to the opposition the same nationalist feeling which you have yourself?

Answer: I attribute that nationalist feeling to the people, who will prevent their leader, whoever their leader is, from directing an action against the recovery of their territory.

Question: It seems unlikely that the opposition will attain power here.

Answer: Well, it is the people who decide, and the people will know why they do not allow them to attain power.

Question: Did the people decide in the last election?

Answer: The people decided in the last election.

Question: You know that there is talk of fraud.

Answer: Well, there is talk of fraud by those who lost. It is the losing player who kicks up a ruckus.

Question: How long will your personal position, your post at the head of the Defense Forces, last? Is it until your retirement? Is your replacement envisaged? Will you go?

Answer: We have our internal regulations, as do all the armed forces in the world, and the continuation and termination of our duties are subject to the same internal regulations.

Question: That is, you will quit this post when you reach retirement.

Answer: When the internal regulations so require.

Question: Are you worried by cases such as those of Marcos or Duvalier, which could have certain parallels here in Panama?

Answer: Panama is not the Philippines, much less Haiti. Here none of the members of our Defense Forces is either Marcos or Jean-Claude.

Question: But do you believe that the model for ridding oneself of a (U.S.) ally could set a fashion?

Answer: The opposition groups, which pay for the lobbying there and arrange the newspaper fabrication there, link it to this country and take it around to other newspapers, write the news abroad, and release it in Panama. They have persuaded their lobby that an attempt should be made to measure Panama by this yardstick, but there is definitely no parallel, no similarity. The Philippines is a system remote from what Panama is, and Haiti is diametrically opposed in the political, military, and professional aspects.

We have a military force which is patriotic, progressive, and prodevelopment and which works with its central government for the population's good. It is not a military force which is billeted or developed to combat guerrillas within its territory. That is why we reject the comparison with Manila or Port-au-Prince.

(At this point Colonel Roberto Diaz Herrero, chief of staff and second man in the military hierarchy, interrupted to say that "the most irrefutable proof that this is not the model of Manila or Haiti is that, although some people lobbying in Washington would like to make some of those ultraconservative groups believe this view, they are making a real effort at opposition, having the profoundly antimilitarist octogenarian Dr Arias (the elderly former President Arnulfo Arias) as the opposition's top leader, but they succeed in bringing only 1,000 people onto the streets in the greatest opposition effort.")

Question: One of the things which came to light in this set of accusations against you is that in 1972 the possibility of assassinating you was considered in the United States. How seriously do you take this?

Answer: This is stated by the newspaper (THE NEW YORK TIMES), together with the whole framework, without any proof. At that time it could be seen in the same publications that the man whom they were going to eliminate was General Torrijos, who was head of government at that time. The elimination depends on the position of the commander or leader of the day.

Question: It has been reported that Torrijos warned the United States that you are a very dangerous man.

Answer: That is totally..., not to use a swearword, it is an absurdity which makes no sense.

Question: Do you consider yourself a loyal interpreter of Torrijos' teaching?

Answer: We who command the Defense Forces not only consider ourselves but are those who truly interpret Torrijos, because it is we who were closest to Torrijos, in his strategy and his ideas. That is why we are here.

Question: What is your opinion of the $100-million assistance for the contras?

Answer: (hesitates slightly) It is a U.S. reaction to an analysis of its geopolitics. (laughs)

Question: Are you afraid of provoking Reagan?

Answer: No, I am not afraid of provoking anybody. It is simply that I..., we have our own idea, and respect for people's stances is directly proportional to the line you take. It is as if I were to ask why the Spanish people have not removed the Americans from there, from the bases. [answer ends]

Dr Hugo Spadafora was a deputy minister in the Torrijos government. Following lengthy personal vicissitudes, he joined Eden Pastora's anti-Sandinista guerrillas. Spadafora was captured by the Defense Forces last 13 September and was found dead 16 September, decapitated and wrapped in a U.S. mailbag. Noriega has been implicated by the U.S. news media in the dissident doctor's murder.

Question: You are being implicated as the instigator of Spadafora's murder. What is your version of what happened?

Answer: The investigation was directed by the Republic of Panama's courts, which are one of the three state powers. The opposition is exploiting a situation and is beginning, through the newspapers, to act as a court of law. When newspapers set themselves up as courts of law there is a danger that justice will disappear.

If we turn directly to the act itself, to the act of bloodshed, we can see that murder did not suit the Republic of Panama's Defense Forces, and less so if we are dealing with professional defense forces. The very characteristics of the act show that professional forces do not make this kind of mistake. This kind of mistake reflects a psychological or sociological characteristic of other Central American individuals, of other people who may use inhuman groups which leave behind a message with vendettas. We totally reject the accusations because we -- we alone -- were the people harmed by that murder.

Question: You were chief of G-2 -- Panama's secret service -- for quite a long time. Are your secret services unable to find out what happened?

Answer: I would not view it in this way, because the murder was not in Panama. The murder was in Costa Rica. We can and do have our own investigation, but that investigation would not be jurisdictionally and legally our responsibility.

Question: Another of the accusations leveled against you is that you are virtually a "double agent," who worked for Cuba and for the United States, who allowed the United States to operate freely in Panama and then passed on information to Cuba.

Answer: If this were so, we would have that all officials of countries which have relations are double agents; the United States has relations with the Russians and with China. [sentence as published] What secrets could the United States hand over to the Republic of Panama? What secrets could Cuba hand over to the Republic of Panama? It is illogical. This is rather a hoax against the United States and its officials in the security services.

Question: What about the sale of technology to Cuba? At least once a week a Cubana de Aviacion freighter lands in Panama and goes to Cuba.

Answer: Yes, there is a Cuban airline here. The sale of technology rests with the United States. Kodak belongs to the United States, and IBM and General Electric, too. All the technology that could be obtained by Cuba does not belong to Panama, which has no technological plants. That purchase is made with knowledge and with books. Where are those companies' books? Those very companies' investigators are Americans, not Panamanians. Hence, that also is self-evident. If Kodak sells all its photographic equipment to Cuba, it does not need Panama. They should know to whom they are selling it and to whom they are not selling it. We Panamanians need not be the intermediaries in that sale. And if it were like that, why do the U.S. authorities not fine Kodak, General Electric, and all the technological companies and forbid them to make those sales?

Question: It is said that you profit from drug trafficking.

Answer: We have been working with the Americans for 16 years, and here, summarized in 480 pages, we have all the work performed since 1970; all the testimonials Washington gave, praising our work.

(Noriega presented a bundle of photocopies containing acknowledgment by the U.S. press and authorities of Panama's cooperation in the struggle against drug trafficking. A Panamanian official attending the interview interrupted to point out that alleged Colombian drug trafficker Jorge Ochoa, recently handed over to Colombia, was arrested in Spain thanks to the information sent from Panama.)

Question: You are accused of forcing Nicolas Ardito Barletta's resignation. (Panamanian President Barletta resigned from his post in October 1985 and was replaced by the then vice president, Eric del Valle)

Answer: The truth of the matter is that the resignation stemmed from a loss of his political platform and of the political support of his party, his government team, and the legislators. When they deprived him of support, they left without any foothold and without prospects for being able to act. He could not act if he was going to have an assembly against him. He could not act if he was going to have a government team and a party with a critical stance -- sustained criticism. It is to this that we directly attribute President Barletta's departure.

Question: But what role do the Armed Forces have in all this? I believe that there has been no president since the restoration of civilian rule in Panama who has reached the end of his term...

Answer: Here the Armed Forces convey the people's decision, convey the majority's decision. When the Barletta affair occurred, it was a majority who decided it. All we do is make ourselves the repository of the decision, the pointer of the scales in which destiny and the future have already been judged politically. It rested with us to carry out and heed the political decision handed down on that president.

DEL VALLE PROTESTS TO UN ON 'DISCREDIT CAMPAIGN'

PA311537 Hamburg DPA in Spanish 1858 GMT 30 Jul 86

[Text] New York City, 30 Jul (DPA) -- Panamanian President Eric Arturo del Valle has condemned the procedures that some groups have used to attack his country and has cautioned that such attacks may become a new threat to the people's right of self-determination and sovereignty. In a letter to the secretary general of the United Nations publicized today, the Panamanian president deplored the discredit campaign that has been launched by the United States against Panamanian Defense Forces Commander Antonio Noriega. He noted: "The campaign has been carried out by some important dailies and television networks. The virulence of the attacks by THE NEW YORK TIMES is noteworthy."

On 12 June, THE NEW YORK TIMES quoted State Department, White House, and Pentagon sources as well as U.S. intelligence officials, linking Noriega to the trafficking of arms and drugs and to illegal money laundering, accusing him of spying for both the United States and Cuba.

In a letter to Javier Perez de Cuellar, President del Valle noted that none of the charges have been backed by evidence. He stated: "All the slanderous affirmations are based on allegations from anonymous sources, allegedly secret sources, or on statements attributed to officials asked not to be identified."

Del Valle said that the Panamanian Foreign Ministry received "adequate explanations" from the U.S. Government when asked for its official position on the matter. But THE NEW YORK TIMES, the NBC Television Network, and other U.S. media have continued reproducing this type of information as well as erroneous statements from ultraconservative Republican Senator Jesse Helms.

He noted that the campaign is being launched at a moment when important events are taking place in Panama. He referred to his country's enemies who want to prevent compliance with the canal treaties and to reach power, disregarding the people's will expressed in the latest elections.

He also mentioned that there are important groups "conspiring to disrupt Panama's banking center so that its financial power is taken somewhere else." He called attention to the fact that similar campaigns are being initiated against other Latin American nations struggling for their sovereignty.

President del Valle concluded his letter by strongly rejecting "the slander being put out by the enemies of Panama, who want to undermine our stability, internal peace, and our independent foreign policy."

LA PRENSA POSITION ON NORIEGA CHARGES

PA311557 Panama City LA PRENSA in Spanish 31 Jul 86 p 1a

["As of Today" column]

[Text] When we Panamanians heard the vague official theory that the charges made against General Manuel A. Noriega, which were published in THE NEW YORK TIMES, were the result of a conspiracy aimed at keeping the canal from being turned over to Panama in the year 2000, we thought that it was another improbable story that the regime usually makes up for domestic consumption, when left without arguments and explanations in face of some delicate situation. On this occasion, the matter has gone further, as the government has raised its strange theory about a conspiracy to the level of first-rate diplomatic problem. This is shown by the letter sent by the president of the republic to the UN secretary general. In the letter he refers to the "slanderous statement made by Panama's enemies to undermine our stability and internal peace as well as the independence of our international policy." According to the president, none of these attacks has been backed with evidence and all assertions "are based on anonymous allegations." If the charges against Gen Noriega affect our country as gravely as the president claims, Panama should turn to the U.S. tribunals to demand that THE NEW YORK TIMES either prove its assertions or be sentenced to pay the appropriate indemnity. This is the best occasion for truth to shine for the good of the Republic.

COSTA RICA

ARIAS SAYS PEOPLE NOT SUPPORTING NEUTRALITY

PA311531 San Jose Radio Reloj in Spanish 1200 GMT 30 Jul 86

[Text] President Oscar Arias has said that the Costa Rican people are not aware of the need to maintain peace to consolidate the industrial and business sectors. He complained about a lack of support for his neutrality policy to a group of industrialists. He told them that the industrial sector has not decided what should be Costa Rica's role in the Central American war.

Arias said that the needs of a Costa Rica that keeps demanding more are not being met. He noted that it would be difficult to increase production if the country gets involved in the regional conflict. He commented that if the country does not remain out of the Central American conflict many businessmen will soon be trying to sell their factories. He stressed that he cannot see how there can be any foreign investment without peace and noted that what Costa Rica has cannot be maintained if peace is not guaranteed. On the contrary, he said, the situation would become worse.

The immediate measure that businessmen would take in the event of violence would be to sell their factories or deposit their firms' funds abroad.

Arias said that to his government neutrality is Costa Rica's desire, and this means not becoming involved in the military conflicts of third countries. He also said that military actions will not be promoted from Costa Rica. he added: Anyone who disregards these appeals is violating the government's decisions and does not deserve to live among us.

The president said that his government will respect neutrality and emphasized that he did not bring nine Latin American presidents to Costa Rica to tell them something he did not feel. The feeling expressed to them was that he wants Costa Rica to preserve its traditional peace. He said that he does not want the destiny of hunger, unemployment, and misery other nations are experiencing. These are nations with conflicts that Costa Rica must remain separate from.

EL SALVADOR

FURTHER ON HONDURAN PRESIDENT AZCONA'S VISIT

Joint Declaration

PA311923 San Salvador Domestic Service in Spanish 1737 GMT 31 Jul 86

[Joint declaration issued by Honduran President Jose Azcona Hoyo and Salvadoran President Jose Napoleon Duarte at the Presidential House in San Salvador; read by Salvadoran Deputy Foreign Minister Ricardo Acevedo Peralta -- live]

[Text] Joint declaration by the Honduran and Salvadoran presidents:

The president of Honduras, Jose Azcona Hoyo, accepting the cordial invitation of Salvadoran President Jose Napoleon Duarte, officially visited the Republic of El Salvador on 30 and 31 July.

They held a major exchange of views regarding bilateral relations that enabled them to draft agreements on measure that will favor strengthening peace; pluralistic, representative, and participative democracy; and integral development and cooperation between the two countries.

The heads of state talked at length about the problems affecting the Central American region, and concurred on the need to combine efforts to create or revitalize, as the case may be, those mechanisms that may contribute toward peaceful solutions to disputes and cooperation, so as to achieve a more harmonious coexistence conducive to political stability and social and economic progress.

Therefore, they declare:

Their full conviction that the traditional, historical, and cultural ties that join Honduras and El Salvador constitute the basis to achieve a fruitful and supportive coexistence for the sake of the two peoples;

Their firm dicision to combine efforts, which have become reinforced through a full and solid understanding conducive to an honest solution to the problems that weigh on the relationship between their peoples. For that reason they reaffirmed their commitment to faithfully comply with the terms of the Lima General Peace Treaty, (?convinced) that international law preserves and consolidates constant fraternity and constructive cooperation among the two countries to work and progress.

They reaffirmed their commitment to submit their border dispute to the jurisdiction of the International Court of Justice and pledged to fully implement, and in total good faith, the ruling issued by that court.

To maintain respect for the dignity of the tow states and their citizens they concurred on the advisability of creating a special commission to study and propose solutions to human, civil, and economic problems that may affect their citizens once the border dispute has been resolved.

President Duarte thanked President Azcona for his government's contribution to protect and assist Salvadoran refugees living in Honduras and reiterated the Salvadoran Government's commitment to honestly and decisively contribute to resolving their situation by offering the appropriate conditions and the necessary trust that will permit their voluntary repatriation and their relocation, in accordance with existing agreements.

Likewise, they pledged to explore, promote, and implement joint development projects such as the (Elpreginio) zone, the utilization and exploitation of the rivers crossing or dividing the border of the two Republics, electricity networks, the dry water canal [as heard] between the two countries, and an increase in trade, as well as cooperation in food security [seguridad alimentaria] and an exchange of surplus staple grains, through the mechanisms already established and through the coordination of their foreign ministries.

To achieve permanent and lasting peace in Central America, it has become imperative to foster and reinforce democratic, pluralistic processes based on the furthering and effective implementation of human rights, social justice, and respect for the sovereignty and territorial integrity of the states.

It is necessary to support, create, and further regional forums for dialogue and cooperation that effectively support fostering understanding and democratic coexistence to attain appropriate solutions to the area problems. To this effect, they reiterated their adherence to the Espquipulas declaration of 25 May 1986.

The Honduran president expressed his satisfaction over President Duarte's decision to seek the peace the Salvadoran people so yearn for through means that lead to reason and understanding. They reaffirmed the importance and significance which respect for human rights has in a democracy, and they expressed their decision to maintain and further the validity and the full and effective implementation of this.

They likewise concurred that they should strike to make unified efforts to prevent the problems that currently affect the Central American area from fostering interventions or confrontations alien to the region.

They decided to maintain periodic direct contact to analyze and overcome bilateral problems in a unified fashion and to promote joint stances in the face of the crisis of the region on those matters of mutual interest.

They expressed satisfaction over the major achievements made during the talks, which will reinforce political, economic, social, and cultural relations between Honduras and El Salvador and will promote achieving peace and reinforcing liberty and pluralistic democracy in Central America.

In conclusion, President Azcona, speaking on behalf of the Honduran people, his retinue, his wife, and himself, conveyed his gratitude to the Salvadoran president and Mrs Duarte for their kind hospitality during their official visit. He also extended a cordial invitation to them to officially visit the Republic of Honduras. The Salvadoran president accepted the invitation and offered to go at an opportune time.

San Salvador 31 Jul 1986

[Signed] Jose Napoleon Duarte, president of the Republic of El Salvador

Jose Azcona Hoyo, president of the Republic of Honduras

Azcona Holds News Conference

PA312106 San Salvador Domestic Service in Spanish 1746 GMT 31 Jul 86

[News conference by Honduran President Jose Azcona Hoyo at the Presidential House in San Salvador, with introduction by Salvadoran President Jose Napoleon Duarte -- live]

[Text] [Duarte] Dear national, Honduran, and international journalists: I would like to greet you on this day when we are celebrating Journalist's Day. Tomorrow we will hold the traditional meeting in my house to which I have always invited you, not only now that I am president, but also when I had no post. We have always met in my home so I expect all journalists to be there.

Now we will have with us, for a news conference, the president of Honduras, Jose Azcona Hoyo. As usual, during interviews with distinguished guests, I do not answer questions. You will have the honor to interview the president of Honduras.

I ask you to treat him with love and frankness because he is a man with democratic awareness, and he is fulfilling the right of freedom of expression. Just as you have the right to ask questions, he has the right to answer. Here is the president of Honduras, Jose Azcona Hoyo:

[Azcona] First, before you start asking questions -- which I will answer with my characteristic, frankness and without reservations, I want to congratulate the Salvadoran journalists who are celebrating their day. Congratulations. Success for all of you in your profession as social communicators. We hope that you will contribute to the strengthening of democracy in El Salvador -- as you are in fact doing -- by supporting the decisions of the Salvadoran Government and also by being critical whenever necessary. Congratulations to all of you. I am ready now. You can ask whatever questions you find suitable.

[Moderator] Mr President, the first question will be asked by Joel Burgos of DPA.

[Burgos] Mr President of Honduras, some political sectors have said that your visit to El Salvador is part of a plan to form a front composed of Central American countries against the Nicagaguan Government.

[Azcona] No! That speculation is completely groundless. With President Duarte we have basically discussed matters of interest to El Salvador and Honduras. We will not deny the fact that there is an ideological concurrence, as I said during my improvised speech at last night's dinner with Presidnt Duarte. We belong to different political parties, but essentially we are democratic and pacifists.

Instead of looking for a front to harm Nicaragua, we want to contribute so that Nicaragua may lead its government through paths of democracy, so that there is a political way out of the Nicaraguan problem, so that there is no more bloodshed in that sister Central American nation. There is no such front against the Sandinist government.

[Moderator] The next question is from journalist [name indistinct]

[Name indistinct] Mr President, I would like to ask you two questions. The first one has to do with the agreement you signed jointly with President Duarte on the refugees. We see nothing specific and don't know if the refugees are going to remain there, or if Honduras will keep them where they are now. Please gove us an idea of the refugees situation in Honduras. The other thing, Mr President, is everybody knows at the international level that your country permits the presence of the counterrevolutionaries in your territory. My question is: You once said that you would not permit the presence of the counterrevolutionaries from Nicaragua, but later you claimed that you had not said this. My question is: Why does Honduras permit the presence of counterrevolutionaries on the Honduran-Nicaraguan border?

[Azcona] Regarding the refugees, Honduras is not [word indistinct] of the agreement on refugees. However, I believe the treatment we have given Salvadoran and Nicaraguan refugees has been very humane and within the possibilities of and take care of them within our possibilities. We believe that Salvadoran refugees (?should be) seeking the way to return home, because we feel that there are no reason why there should be Salvadoran refugees in as much as that constitutional and democratic government respects all freedoms and rights.

We know that most of those refugees have been removed from the areas of conflict between the Salvadoran subversives and the government. We understand that situation. We believe that as the situation normalizes, the Salvadoran brothers who are now in refugee camps in Honduras will begin to return to their country, which is where they belong. Salvadorans for El Salvador, and Hondurans for Honduras [word indistinct].

Regarding Honduras, we have been very clear on the matter of the counterrevolution. The Honduran-Nicaraguan border is approximately 750 km long. The southern sector of the border is accessible by road as for as Cifuentes, or rather, [words indistinct] in El Paraiso Department. From that point on, the border is a rural area and very difficult to protect. We have repeatedly stated, and we are not going to deny it: Contras come in and out of Honduras. The contras have not been given official permission to operate in Honduras, but we do not have sufficient material or human resources to protect the entire border and keep the Nicaraguan counterrevolutionaries, which have emerged as a result -- and we say this emphatically -- as a result of the Sandinist government's curtailment of the Nicaraguan citizens' rights, from entering Honduras. This would be tantamount to serving as the nursemaid of the Sandinist government or, to use another term, as a gendarme, as we have already (?stated). We are not going to become the guardians of the Sandinist government, because they would not do so for our democratic government if we were to have (?that problem).

I believe that the phenomena of the counterrevolution and public resistance in Nicaragua are untenable and will suddenly disappear when the Sandinist government in Nicaragua tries to prevent a political solution of its internal problems. [sentence as heard]

[Moderator] Mr President, reporter Julio Armando Valdez of HRN.

[Valdez] I have a question for President Duarte. [passage indistinct] My question is, if the International Court of Justice decides in favor of Honduras, what will be the reaction of the Salvadoran Government, the people, the guerrillas, and the opposition?

[Duarte] My dear friend and Honduran reporter, it would be discourteous of the Salvadoran president to answer this question at a news conference offered by the Honduran president. He will be glad, however, to answer it privately after the news conference.

[Moderator] Mr President Azcona, Reporter Eloy Guevara [name indistinct] of Radio Chaparrastique in San Miguel.

[Guevara] Mr President, I have two questions. First, to what extent does the United States influence Central America policy, particularly in Honduras, and what is the United States seeking with its direct involvement? The second question: What is your policy in response to the problems in your country, where it is known a coup will be attempted?

[Azcona] I did not understand the second part of your question.

[Guevara] The second question?

[Azcona] Yes.

[Guevara] What is your policy in response to the problems in your country, as it is known that a coup will be attempted against your government.

[Azcona] Look, first I will answer the first question regarding U.S. influence. The United States maintains friendly relations with Honduras, and I am not going to deny that Honduras, El Salvador, Guatemala, Colombia, Venezuela, Panama, and Mexico are within the area of U.S. influence. I will go even further. The entire Western world is influenced by the United States because there are two influential powers in the world: The United States and the USSR. It would seem as if these small countries are being given David's slingshot to use it against Goliath, in this case the United States. This is not our position. Our position is realistic.

There are areas of influence in the world, but countries such as Honduras and, I believe, El Salvador are defending our position before the United States with dignity and a realistic manner. That is my response to your first question. You must not believe that only Honduras, El Salvador, Colombia, Venezula, and Mexico are influenced by the United States. There is the FRG, Italy, Greece, Spain, and France. There is a socialist government in Spain that voted to remain in NATO. We have a government in Great Britain that has allowed Euromissiles; the FRG did the same. We also have a socialist government in Greece, and there is a U.S. base there. Therefore, we must be realistic and see the circumstances and situations. The United States does not exert any influence over internal Honduran decisions. If there is a zone of influence, and it does exist, we are part of it. However, our dignity is unchangeable [words indistinct]. Your second question was...

[Guevara] Your policies in response to the problems Honduras is facing.

[Azcona] Oh, about the coup. I want to say that I do not know where that story came from. From EL DIARIO DE HOY here? There is no danger of a coup in Honduras at this time. The government is making the necessary efforts to solve the problems that emerge each day in our country. It is important to (?stress) that in developing countries, problems cannot be foreseen far in the future. They emerge daily. The demands of social sectors, most of which are justifiable, come one after another, and the instruments, the resources that these governments have cannot totally fulfill those demands. These problems will continue to emerge and the governments -- the Honduran Government -- is obliged to solve its problems. However, a coup is not even remotely possible at this time.

[Moderator] Mr President, Reporter Alejandro Casco of the Honduran newspaper EL HERALDO.

[Casco] I only have two questions. One is for President Azcona. The United States gives Honduras less economic and military aid. I want to ask why El Salvador, which is not as docile toward the United States as Honduras. [sentence as heard] What factors make it possible for Honduras to receive less aid than El Salvador? The next question is for President Duarte. If the International Court of Justice rules against El Salvador, will its decision be respected, considering that the Constitution stipulates that the national territory cannot be relinquished?

[Moderator] This is the same question that was asked by another Honduran reporter. You can ask the president that question later. He will be glad to answer it.

[Azcona] I believe that companero, friend, fellow countryman Casco's question [passage indistinct] but I think I can answer it. El Salvador receives more aid, especially in the military field, because it has many more problems than Honduras at this time. It has more problems because [words indistinct] there are guerrillas, and an undeclared war and we -- thank God -- do not have this problem.

However, you can rest assured that if this were to happen, and we pray to God that it does not, we would also need this type of aid. We do not have it now, and we hope we never need it. The situations in El Salvador and Honduras are different. [question indistinct]

[Azcona] We cannot impose conditions in the sense that we be given more aid than any other country. We request with dignity the aid we deem necessary to maintain development, to solve social problems, and also to solve security and sovereignty problems in Honduras. That is my answer.

[Moderator] Mr President, reporter Regina Osorio of Channels 3 and 7 of the Republic of Honduras.

[Osorio] Did you agree on or sign any definitive agreement with President Duarte for the repatriation of thousands of Salvadoran refugees living in Honduran territiory, given that Honduran and Salvadoran military authorities have said that there are guerrillas in the camps that are using them as safe havens?

[Azcona] We signed no agreement because, as I said, although Honduras is not a signatory of the convention on refugees, we have respected the refugees, rights in the sense that the repatriation must be a voluntary move.

As for reports that Salvadoran refugee camps in Honduras, such as the ones in Colomoncagua, Mesa Grande, and San Antonio, have to a certain extent become the sanctuaries of some refugees, we are aware of that. We have implemented reasonable measures to prevent this. We are even working with the UNHCR [UN High Commissioner for Refugees] to ensure that Honduran authorities are present in those camps, that they not be managed only by committees made up of the refugees themselves. That is a right that Honduras is entitled to because the camps are operating in its territory. This is to ensure that the camps do not enjoy extra-territoriality, as is the case of embassies.

However, the repatriation of refugees will be carried out on a voluntary basis. No refugee can be forced to return to his country if he refuses. We think that this problem will be solved, because in my eyes conditions in El Salvador are good as I said before, that country enjoys a fully democratic government. As war-related problems in the areas from which the refugees are coming from are solved, they will return to their places of origin.

[Moderator] President Azcona, I now give the floor to reporter Raul Monge of Radio Marti.

[Monge] Mr President, military sources in Morazan reported the presence of merceraries or internationalists, as they were called at that time, within the Salvadoran guerrillas. A capital city newspaper reported that Hondurans are earning $4 a day in the Salvardoran guerrilla ranks. Is the government aware of this situation, and if so, what measures are being implemented?

[Azcona] Well, from any standpoint, that is regrettable. This shows a marked meddling of Central American extremist sectors in Salvadoran affairs. President Duarte denounced that. This clearly shows that we must seek a political solution to problems in the area.

We regret of course that [words indistinct], and we do not allow that to happen at all. Quite the contrary, [word indistinct] Hondurans to disturb order in El Salvador would (?not) sell themsleves as cheaply as $4 a day. I think that they earn more than that. I believe that they receive a lot of money from various channels to support that subversive situation in El Salvador. If we are not careful, money to promote similar situations in Honduras will also appear. That is my answer.

[Moderator] Reporter Raul Beltran of [word indistinct] agency.

[Beltran] President Azcona, I would like to ask you two questions. First, rumors of a coup d'etat in your country originated from the private sector yesterday. They say that your government is too tolerant with the constant civil disobedience, caused by the serious political and economic problems in Honduras. Second, being aware that the Salvadoran Constitution mentions the irreducibility of our territory, would you accept an International Court of Justice ruling that the border pockets belong to El Salvador and not to Honduras?

[Azcona] Look, again we refer to Honduras. I believe and I will proudly tell you that there has never been another government with better communication with all sectors in Honduras than the current one. Honduras' economic problems were not caused today or yesterday. It is not true that the economic problems have worsened. We have economic problems. When there is a democratic government, economic problems abound because social sectors feel rightfully entitled to make demands, and the leader listens to those problems. That is, problems are not (?restrained), they come out freely. That is the reality.

There is talk of strikes. There have been no strikes with major negative effects on the Honduran economy. When strikes were held, we immediately sought solutions. Peasant organizations occupied the installations of the National Agrarian Institute. We appointed a high-level commission and the problem was solved in 24 hours. They had every right to make demands. They claimed that the bureaucratic structure of that institute prevented the development of the agrarian reform. In this regard, the government sided with them. We are seeking ways to reorganize that bureaucratic structure to ensure that part of the millions spent in bureaucracy be diverted toward agrarian reform problems.

All problems have been solved quickly, and there is no chance whatsoever that there will be a coup d'etat in Honduras. That is rather a [word indistinct] of the private enterprise that is supporting the government, that is worried about the large number of demands being made on the government. [Words indistinct] shown that they are friends of our government.

If the level of demands is not lowered, if there is not greater cooperation, if there is not greater patience in the solution of problems, the government could be destabilized. We believe that any government could face such a risk if the various sectors do not realize that solutions cannot come overnight, and that governments acting in good faith have the right to ask for understanding from sectors that have just demands. However, those demands require time to be resolved.

When the two states, that is Honduras and El Salvador, voluntarily and jointly resort to the International Court of Justice and recognize the finality of any ruling coming from it, Honduras will accept the ruling. Each state will defend its rights and bring its evidence.

Once the court hands down its ruling, regardless of what it might be, because we do not know what it will be, Honduras must accept that ruling. Treaties are above any speculation.

[Duarte] I think that the president will allow me to say that the answer to the question from the two Honduran reporters is exactly the same response that the president has given to the Salvadoran reporters.

[Moderator] Now we will have reporter Antonio Fuentes Ibarra of Radio Cadena Libertad.

[Fuentes] Mr President of Honduras, I would like to know if after certain failures -- which must be called failures -- of the Contadora Group in the pacification of Central America, how do you view the possibility of a democratic consolidation in Central America? That is one question; the other is: After your visit to our country, what will be your opinion?

[Azcona] Unfortunately, regarding the first question, the Contadora Group did not achieve progress to the extent that the four democratic countries of Central America expected. It did not make that progress because too much emphasis was placed on the arms buildup and the military problem, when the essence of the Central American problem is political. The Sandinist government, as a last recourse, said that it could return the tanks, the helicopter gunships, the multi-barreled artillery, and so forth. However, it said that it would keep the rifles and the men who carried those rifles. This does not solve the problem because the problem is a political one. If all the countries sign an agreement, and if we only keep the weapons they [the Sandinists] call defensive, they have more than enough with those defensive weapons to continue subjugating their people and prolonging the political problem in Nicaragua. This is (?what this matter) implies. As Presidents Duarte, Arias, and I told President Ortega, it is a problem of how one views power and democracy.

We are democratic presidents who know that power is relative, very relative. We also know that power is not eternal. We know that, undoubtedly, on 27 January 1990, I will turn over power to whomever is elected by the Honduran people, regardless of his party. I also know that the power the people gave me was given to me as a representative of that power. It was given to me in a relative way. I must respect the legislative branch. I must respect the judicial branch. There is also the Armed Forces, to which the Constitution of the Republic gives certain duties. There are peasant group who receive rights through the agrarian reform law. There are unions which the labor code gives rights to within the framework of the labor code. Consequently, power within a democracy is limited, relative, and temporary.

Meanwhile, in a totalitarian government [words indistinct] Mr Ortega. Why hold presidential elections? Why have LA PRENSA? Why let the priests go to the pulpit to express their ideas? That is the problem. It lies in a different concept of democracy and power that is held by those who have totalitarian ideas and those who have democratic ideas. That is the problem. It is not a problem of the arms buildup. It is not a military problem. It is a problem that is esentially political, which is why we have supported the Contadora Group and talked with President ortega. We will talk with him again as many times as necessary. We personally do not have anything against [words indistinct]. In addition, we do not have any hard feelings for the men who are members of the Sandinist government.

All we are asking is that they open the system up, to realize that the Nicaraguan revolution's triumph belonged to all of the Nicaraguan people. By this I mean that the nine commanders did not overthrow Somoza: The Nicaraguan people did. We were overjoyed when the Somozist dictatorship fell. However, there will be no peace in Central America until the Nicaraguans reach an understanding among themselves. There are six political parties in Nicaragua; two liberal parties -- the Independent Liberal Party and the Constitutionalist Liberal Party -- The Social Christian Party, the Social Democratic Party, the Nationalist Conservative Party -- I believe that is its name -- and the Conservative Party [all party names as heard]. These parties represent the full spectrum of democratic thought. They have presented demands to the Sandinist government which -- if my country's parties brought them to me -- I would be ashamed to reject. These include freedom of expression, freedom of the press, freedom of association, free elections, and others.

This is the crux of the matter: The Nicaraguan Government does not want to allow internal democratization there. So long as this is the case, those who are on the other side will continue to oppose them. Because they cannot stage opposition at the polls, through dialogue, or through the press or radio, they will oppose them militarily. This has negative repercussions in the countries that share their borders with Nicaragua. That is the truth of the matter. It must be repeated over and over again without fear. Why should we, who have struggled for freedom in our countries and set forth clear ideas on democracy for many years, now be ashamed to say that there is no democracy in Nicaragua and that that government must open up to democratization? These are precisely the principles we struggle for: freedom of expression and association, and to see to it that no one is forced to sign up for neighborhood committes. That is the problem in Central America: the lack of desire to democratize Nicaragua, and the fact that they feel entitled to oppress their people and believe that the rest of us must put up with the effects of that suppression of the Nicaraguan people's right. That is the truth of the matter.

[Moderator] Mr President, Maria Dolores Alteaga of UNOMASUNO.

[Alteaga] What is your opinion of the fact that the U.S. military aid for Honduras is smaller than the aid voted for the counterrevolution?

[Azcona] Yes, as I have said before, we do not face the problem of an internal military struggle as El Salvador does. [sentence as heard] Thus, I think, it is more understandable to grant more military aid to El Salvador then Honduras. Yes, that is regarding the military assistance. Regarding economic support, the United States is a sovereign country. It can grant the amount of money it believes suitable for every state. With great dignity and firmness, we are requesting greater economic assistance for Honduras because we are affected by the Nicaraguan situation, as Costa Rica is. The Costa Rican president has been far more firm in those positions than we have. He talked to President Ortega more firmly than we did. The Costa Rican president said that Costa Ricans are opposed to the Nicaraguan situation because it affects them. There is no tourism, investments, etc, etc.

Thus, there is a right. We have a right to demand the democratization of Nicaragua. This is not meddling in another state's internal affairs, because if that situation did not harm Costa Rica and Honduras we would not have that right. But we do have it.

[Moderator] Finally, Mr President, reporter Ricardo Chacon from ACAN-EFE.

[Chacon] Mr President, I have two questions. The first deals with Contadora. I know you have already said something about Contadora, but I would like to go further into that matter. Does Contadora still play an important role in Central America? What would your policy be toward that group, toward the member-countries? The second question is related to Condeca [Central American Defense Council]. In the past weeks, much has been said by (?the military chiefs) about the revival of Condeca. What would your position be toward that organization?

[Azcona] Regarding the first question, I think the Contadora Group still has a great number of things to do. It has a great deal to do, but the Central Americans also have to be more active. We have to demand and set forth positions on the Central American problem because we are at the core of the conflict. Honduras, which is next to Nicaragua, cannot view the problem as Venezuela or Mexico do.

Thus, we are part of the problem. The conflict is affecting us. It affects El Salvador, Costa Rica, and it can also affect Guatemala. Therefore, we have to set forth an initiative, or maintain a position in the search for a political solution to the Nicaraguan problem.

Rearding Condeca, I think that there are indeed reasons to reactivate that organization at this time [words indistinct].

[Moderator] Thank you, reporters, for having attended this news conference.

MSGR RIVERA Y DAMAS VISIT MARKED BY CLASHES

PA010104 (Clandestine) Radio Venceremos in Spanish to El Salvador 0023 GMT 1 Aug 86

[Text] We now wish to report on the irresponsible and cowardly attitude of Colonel [Mauricio Ernesto] Vargas and of the high command of the Armed Forces. As it is public knowledge, today 31 July, Msgr Arturo Rivera y Damas visited the northern area of Morazan Department. Msgr Rivera y Damas entered the northern area of Morazan Department by crossing the Torola River a little after 1000.

In an irresponsible and cowardly manner, Col Vargas ordered troops of Military Detachment No 4 to move behind Msgr Rivera y Damas' retinue. After Msgr Rivera y Damas and his retinue passed the area, Vargas' troops crossed the Torola River in th area of Meanguera. In spite of the fact that Msgr Rivera y Damas had already entered the northern area of the department, several clashes took place at 1155 at the security checkpoint that our forces had set up to offer security for Msgr River y Damas' visit.

Col Vargas (?then) ordered a battery of 105 mm cannons in the southern area of the Torola River to start shooting toward the northern area of Morazan. When the clashes begin, Msgr Rivera y Damas was arriving at Perquin, about 15 km north of where the clashes were taking place.

After hindering the release of Colonel Avalos for several months, with his irresponsible action, the Armed Forces are now further hindering his release and endangering Msgr Rivera y Damas' meeting with Col Omar Napoleon Avalos. On previous occasions, Colonels Vargas and [Miguel Antonio] Mendez prevented the International Red Cross delegation from entering this northern area of Morazan when it was coming to pick up letters from Col Avalos [words indistinct].

This irresponsible and cowardly action by Col Vargas and the high command is similar to their violations of the Christmas truce in December 1985 as well as their attempts to capture FMLN war cripples who were about to be exchanged for prisoners in October of last year.

This has been a preliminary report on the irresponsible and cowardly attitude of Col Vargas and the (?refusal) to allow the retinue of Msgr Rivera y Damas from entering the area, as Col Vargas ordered the Military Detachment No 4 troops to move behind the retinue in this northern area of Morazan Department. We will shortly be giving you more details on this situation.

HONDURAS

OFFICIAL EXPLAINS REJECTION OF ICJ JURISDICTION

PA311714 Tegucigalpa Televisora Hondurena in Spanish 0300 GMT 31 Jul 86

[Excerpt] Honduras amended its acceptance of the rulings by the International Court of Justice [ICJ] at The Hague a long time ago. Although it has unrestrictedly accepted the jurisdiction of the ICJ, in June Honduras modified its acceptance of the [ICJ] rulings through a legislative agreement, to restrict certain political aspects, such as the existing situation with Nicaragua. Foreign Ministry Adviser Jorge Hernandez Alcerro will explain our government's stance, which Honduran President Jose Azcona Hogo officially revealed!

[Begin Hernandez recording] A state's acceptance of ICJ jurisdiction is not compulsory, but rather optional. In other words, UN member-states make their own decisions as to whether or not they will accept ICJ jurisdiction. Accepting ICJ jurisdiction can be achieved in two ways. It can be achieved through a unilateral declaration, or it can be achieved through a commitment regarding a specific case. This commitment can be unilateral or it can involve several states.

On 20 February 1960, the Honduran Government issued a unilateral declaration, whereby it broadly and unrestrictedly accepted the ICJ jurisdiction. Considering that this jurisdiction is optional, the states can at any time modify their acceptance of the ICJ's jurisdiction, whether to [words indistinct] to a specific case, limiting it to certain countries.

On 26 May 1986, the Honduran National Congress issued two decrees, regarding amendments to the declaration which the Honduran Government had issued in 1960 accepting the ICJ jurisdiction. One decree involves the amendments introduced to the 1960 declaration, regarding Article 36 of the ICJ statutes. The other decree involves the amendments to Article (?31) of the Liverpool Pact. [end recording]

The professor of international law feels that Nicaragua's suit will not affect at law the legal proceedings involving the Honduran-Salvadoran dispute.

[Begin Hernandez recording] The border dispute with El Salvador is handled through two channels: the General Peace Treaty of 1980, and the commitment the Salvadoran and Honduran foreign ministers recently signed in the city of Esquipulas on the occasion of the meeting of Central American presidents. Although amendments have been introduced to the Honduran declaration accepting the ICJ jurisdiction in May, this will not affect at all a final solution to the border dispute between El Salvador and our country. [end recording]

Honduran President Jose Azcona Hoyo said this morning that he will not accept the ICJ jurisdiction regarding the suit Nicaragua introduced on 28 July. [passage omitted]

AZCONA ENDS SALVADORAN VISIT; OTHERS PLANNED

PA010140 Panama City ACAN in Spanish 0123 GMT 1 Aug 86

[Excerpts] Tegucigalpa, 31 Jul (ACAN-EFE) -- Honduran President Jose Azcona Hoyo arrived this afternoon in Tegucigalpa after honoring a 36-hour invitation of his Salvadoran counterpart, Jose Napoleon Duarte. [passage omitted]

The president and his retinue arrived at 1730 at a Honduran Air Force military base. [passage omitted]

Next Saturday, the Honduran president will meet in San Andres, Colombia with Colombian president Belisaro Betancur to sign a document recognizing Honduran sovereignty over the Serrania and Quita sueno cays, Virgilio Barco, of the Liberal Party. [passage omitted]

NICARAGUA

COLOMBIAN GUERRILLAS OFFER HELP 'IF U.S. INVADES'

PA291420 Panama City ACAN in Spanish 2345 GMT 28 Jul 86

[Excerpt] Managua, 28 Jul (ACAN-EFE) -- The Colombian Popular Liberation Army [EPL] announced in Managua today that it is willing to send a brigade of guerrillas to Nicaragua if the United States invades this country.

Sonia Martinez, a member of the EPL guerrillas, said that they "would not hesitate to order our members to come to Nicaragua to defend the revolution from the imperialist aggression."

Standing in front of two red flags, one of them with a star in the middle and the communist symbols of the hammer and sickle, the Colombian guerrilla said that this was a "contribution to the revolutionary process."

In a news conference at the headquarters of the Nicaraguan Marxist-Leninist People's Action Movement [MAP-ML], the guerrilla appeared before journalists with a red handkerchief that covered almost all of her face and that was marked with the EPL acronym.

Sonia Martinez was accompanied by Luis Gomez, 26-year-old member of the Central Committee of the Colombian Communist Party-Marxist Leninist Faction [PCC-ML].

They stated that the EPL is the armed wing of the PCC-ML, which acts clandestinely.

Martinez said that the willingness to send Colombian fighters to the Nicaraguan war is a demonstration of the "Colombian people's solidarity with the Nicaraguan people."

In this way, the leader evaded a question from ACAN-EFE about whether her organization had already proposed this to the ruling FSLN.

Nevertheless, she admitted that her guerrilla group was demonstrating "solidaristic support for the MAP-ML" with this offer.

The MAP-ML, which is represented in the parliament, invited the EPL to the ninth meeting of Marxist-Leninist youths being held in Managua with the presence of organizations of various Latin American countries and Spain.

The Colombian revolutionary leader said that the guerrilla brigade would be sent to Nicaragua on the condition that the Sandinist government "makes the development of the revolutionary process more dynamic."

For his part, Communist leader Luis Gomez explained that their proposal must not be reduced to an action in the face of the "imperialist aggression," but instead, must be viewed as "revolutionary support" aimed at promoting the Sandinst revolution.

"We are for the development of socialism in Nicaragua, and that is why we want to contribute with our support to defend the Sandinist revolution," he said. [passage omitted]

EPISCOPAL CONFERENCE APPOINTS VEGA REPLACEMENT

PA262151 Panama City ACAN in Spanish 1647 GMT 26 Jul 86

[By Franco Rojas]

[Excerpts] Panama City, 26 Jul (ACAN-EFE) -- The Nicaraguan Catholic Church has appointed Msgr Guillermo Quintanilla new vice president of the Episcopal Conference to replace Bishop Pablo Antonio Vega, who was expelled from the country by the Sandinist government 21 days ago. [passage omitted]

Msgr Vega's successor, who was in charge of the Catholic communities in Carazo Department in southern Nicaragua, was appointed apostolic administrator of the prelacy of Juigalpa, a city in central Nicaragua. [passage omitted]

On 11 July, the Managua regime told the Catholic hierarchy that a process of "real and productive" dialogue should be begun. These talks would have the objective of easing the tensions and difficulties existing between the government and the Nicaraguan bishops since 1984. However, Episcopal Conference sources indicate that there are no possibilities that the meetings between the hierarchy and the government will be renewed.

Church sources consulted by ACAN-EFE indicated that Episcopal Conference circles "do not have any confidence" that a dialogue will have positive results. [passage omitted]

UNSC ENVOY CALLS FOR U.S. COMPLIANCE WITH ICJ

FL302124 Havana Radio Reloj Network in Spanish 1806 GMT 30 Jul 86

[Text] The Cuban representative to the UN Security Council, Oscar Oramas, has exhorted the Security Council to comply with its responsibilities and approve initiatives to preserve peace and avoid more bloodshed in Nicaragua.

Oramas demanded that the Security Council require the United States to respect the decision of the International Court of Justice at The Hague. During his address to the Security Council, the Cuban delegate stressed the insistence of the Nicaraguan government on attempting to negotiate a peaceful solution to Central American problems with the framework of Contadora, in direct conversations with Washington. Oramas decribed U.S. policy towards Nicaragua as criminal.

COMMENTARY PREDICTS FALL OF PARAGUAYAN GOVERNMENT

PA300412 Havana International Service in Spanish 2300 GMT 26 Jul 86

["Our America" commentary read by Mario Montes]

[Text") Alfredo Stroessner's desire to perpetuate himself in the Paraguayan Government was evident a few days ago as his paid assassins showed off their aggressiveness against the leader of the Authentic Liberal Party, Domingo Laino, who failed in his fifth attempt to return to his country.

Stroessner's aggressive attitude, reiterated before international opinion, the repressive nature of his regime, and also ended any possibility for dialogue with the opposition for the return to democracy.

During the last three decades Stroessner banished, jailed and eventually eliminated the left. Undoubtedly, the new generations of Paraguayans are making a grass roots resurgence of an opposition movement.

Despite the ambition to remain in power for life, Stroessner's regime shows signs of deterioration and progressive isolation, to the point that conditions are being created for a change whose content and hue are still unpredictable.

Paraguayan opposition are carrying out an international campaign to erode the bases of support of Latin America's oldest dictatorial regime, and whose support is the United States and international financial organizations under Washington's control.

Not long ago, THE NEW YORK TIMES revealed that the U.S. Government is being pressured not to favor the Paraguayan regime with loans amounting to $245 million, which were to be granted by the World Bank and the IDB. Due to the precarious Paraguayan economy, a measure of that nature would have such repercussions that even the regime's stability would be compromised. However, despite the crisis situation, Stroessner does not cease ordering repression against members of political, social, cultural, religious, and peasant organizations; even those who have been in the country's dark dungeons for years.

The international press recently reported that Andres Rodriguez the security director of the Asuncion Tucumbu Penal institution resigned his post after inmates conditions were publicized. Rodriguez stated that inmates are physically punished so they will report on fellow inmates who have active participation against the dictatorship. In that gloomy Tucumbu jail, Antonio Maidana, president of the Paraguayan Communist Party, spent several years. After being freed by the authorities he was kidnapped and missing in Buenos Aires for 3 years by order of Dictator Alfredo Stroessner.

The democratic changes that have been taking place in Latin America since the end of the military regimes in Brazil, Uruguay, Bolivia, and Argentina, and the exile of Haitian dictator Jean-Claude Duvalier certainly surround the infamous Paraguayan terrorist government.

OLD HAVANA BUILDING FIRE REPORTED, NO CASUALTIES

FL311411 Havana Tele-Rebelde Network in Spanish 1100 GMT 31 Jul 86

[Text] Yesterday, there was a medium-size fire in the warehouse of a cafeteria located in the Palace of captain generals in old Havana. The fire began around 12:30 pm and was put out in less than an hour.

The interior ministry's fire prevention and extinguishing units prevented extensive damages. The damages were limited primarily to provisions and dishes. Area residents were immediately evacuated, avoiding casualties. The causes of the fire are being investigated.

PINAR DEL RIO FOREST FIRES CAUSED BY NEGLIGENCE

FL311335 Havana Radio Progreso Network in Spanish 1100 GMT 31 Jul 86

[Text] The Commission for Protection of Flora and Fauna has reported that the 37 Pinar del Rio forest fires registered between January and August have been caused primarily by staff negligence and climatic conditions. The commission indicated that the losses surpass 88,000 pesos as a result of 671,000 destroyed hectares of forest and over 560 reported violations of hunting and fishing laws.

TRINIDAD-TOBAGO

TRADE AGREEMENT SIGNED WITH VENEZUELA

FL301655 Bridgetown CANA in English 1522 GMT 30 Jul 86

[Text] Port of Spain, Trinidad, July 30, CANA -- Trinidad and Tobago and Venezuela have reported agreement on a wide range of areas, including trade, energy, taxation, tourism and maritime transport.

The agreement was reported following the fourth meeting of the Neighbouring States Mixed Commission, which ended here last night. The private/public sector grouping, which last met in Caracas in 1984, issued a communique saying that an agreement had been reached on areas such as exchanging trade information, and on joint ventures. Yesterday, an agreement was signed between the Export Development Corporation (EDC) of Trinidad and Tobago and Venezuela's Institute of Export Trade (ICE) to exchange commercial data, conduct joint market studies, and to conduct and promote joint trade ventures. Venezuela has agreed to provide technical assistance to Trinidad and Tobago's tourism development. It is also to train Trinidad and Tobago nationals in the field of energy in the last quarter of 1986. Trinidad and Tobago's Shipping Corporation (SCOTT) and Venezuela's counterpart corporation are to hold discussions on the possibility of increased shipping between the two countries. The shipping arrangement would take into account present infrequent links between the two countries. The two corporations are also to discuss a possible ferry link between Trinidad and Tobago and Venezuela. The commission established a small working group to identify joint venture projects for further contacts.

Trinidad and Tobago's External Affairs Minister, Errol Mahabir, who signed the Iron and Steel Company of Trinidad and Tobago (ISCOTT) and the Venezuelan Cidore Company will lead to further sales for Port of Spain this year.

ISCOTT is to sell 72,000 tonnes of sponge iron to Cidore this year. ISCOTT has also received 10,000 tonnes of lump ore from Cidore for experimental treatment.

Mahabir said that, if successful, when Cidore closes one of its plants for overhaul next year, ISCOTT will process 300,000 tonnes of sponge iron for export to Venezuela.

The mixed commission evaluated documents on double taxation and will seek to have the information discussed at a meeting of the relevant authorities.

GUERRILLA GROUP CALLS FOR OVERTHROW OF BOUTERSE

FL291924 Bridgetown CANA in English 1853 GMT 29 Jul 86

[Text] Amsterdam, July 29, CANA -- A former personal bodyguard of Suriname's army strongman, now waging a guerrilla war against the government, has called for the overthrow of the six-year-old leftist military regime headed by lieutenant Colonel Desi Bouterse.

Ex-army sergeant Ronny Brunswick made the call in a statement smuggled out of the former Dutch colony and read on national television here over the weekend by former Suriname deputy prime minister Andre Haakmat, leader of a Suriname exile group based here. Bunswick, 25, has been operating in the remote marshlands of east Suriname over the past year and a half, intercepting military supplies, essentially good, passing through the area from neighbouring French Guiana, and distributing the booty to area residents. In the statement he called on Surinamers to resist the corrupt and criminal regime in Paramaribo. Bunswick's band of 60 fighters were involved in the kidnapping of eight soldiers last week. He said in the statement the soldiers would not be harmed unless his people's resistance front is attacked.

SOLDIERS LINKED TO ATTACK ON POST, MILITARY CAMPS

FL251938 Paramaribo International Service in English 1805 GMT 25 Jul 86

[Text] After the attacks by unknown persons on the military camp at Albina and the military post at (Stockapsafer) last Tuesday, it appeared that the military personnel who were stationed at a post at (Stokapsafer) are missing, it was announced on Wednesday by the National Information Service.

Last Tuesday morning, a camp in Albina and the military post at (Stokapsafer) came under heavy firing from unkown persons leaving three people wounded.

Investigations revealed that weapons taken during the attck on the post were used in the attack on the camp. Investigations into the shootings and the search for the missing soldiers are continuing.

Since last Wednesday, the military police have launched a search for the 12 soldiers who are still missing after Tuesday's attacks by unknown soldiers on the military camp in Albina and the military post at (Stokapsafer). The 12 soldiers who were on guard duty at (Stokapsafer) disappeared without leaving any traces. During the search being carried out by the military police, a few persons have been arrested in connection with the disappearance of the soldiers. However, after being questioned they were later released.

The National Information Service has announced that the national army will do everything in its power to locate the missing soldiers.

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SPOKESMAN DISCUSSES ALFONSIN TRIPS, ISSUES

PY032220 Buenos Aires BUENOS AIRES HERALD in English 3 Aug 86 p 15

[Text] (NA-DYN) -- President Raul Alfonsin will travel next week to Colombia and Mexico, where he is expected to meet with other members of the "Group of Six," formed by the heads of government of Mexico, Greece, Sweden, Tanzania, India and Argentina. They will presumably prepare a joint statement calling for nuclear disarmament and a ban on further nuclear tests.

According to presidential aid Aldo Tessio, Alfonsin will suggest the creation of a permanent committee of the Group of Six based in New York or Geneva, with one delegate for each nation.

In reference to Argentina's position, Tessio anticipated that Alfonsin will insist on the de-militarization of the South Atlantic, including British bases on the Malvinas Islands. The presence of US troops in Bolivia and the proposed military aid to Nicaragua's Contra rebels will also be discussed.

Tessio added that in previous messages to the superpowers "(Soviet leader Mikhail) Gorbachev gave a satisfactory answer while (US President Ronald) Reagan showed a certain degree of indifference."

Alfonsin and Mexican President Miguel de la Madrid will also discuss the possibility of Mexico's inclusion in the integration accords signed between Brazil and Argentina. On his way back from Mexico, Alfonsin will stop at Bogota in order to hold talks with incoming Colombian President-elect Virgilio Barco Vargas and outgoing President Belisario Betancur.

The President will leave next Tuesday and will return by Friday. Foreign Minister Dante Caputo, five senators and five deputies, together with other government officials and presidential aides, will join the delegation.

ALFONSIN CRITICISM OF ANTIDRUG DRIVE DENIED

PY010354 Buenos Aires TELAM in Spanish 1924 GMT 31 Jul 86

[Text] Buenos Aires, 31 Jul (TELAM) -- Under Secretary for Latin American Affairs Raul Alconada Sempe has denied a statement from La Paz attributed to Bolivian Vice President Jaime Paz Zamora, who said that President Raul Alfonsin had allegedly stated his disagreement with the presence of U.S. troops in Bolivia to control against drug trafficking. According to Alconada Sempe, the Argentine president voiced his concern over drug trafficking during a meeting on 26 July, which was attended by various Latin American politicians. He stated the need to combat this problem with all legal means at hand. According to Alconada Sempe, Alfonsin said, referring to the specific case of Bolivia, that he had no objections and voiced his support for forming a Latin American economic fund to combat the marketing of the drug and the drug traffickers' activities.

U.S. GRAIN DECISION 'BLOW TO ARGENTINE ECONOMY'

PY032235 Buenos Aires BUENOS AIRES HERALD in English 3 Aug 86 p 15

[Text] (NA-DYN) -- Agriculture Secretary Lucio Recca said yesterday that Argentina will lose one billion (thousand million) dollars due to the United States decision to subsidize grain exports to China and the Soviet Union, but he added that Japan will not benefit from US grain subsidies.

Recca added that his government will "formally protest" before international forums the US policy of dumping grain surpluses on international markets.

Speaking on Radio Mitre, Recca said that US President Ronald Reagan's decision was taken with the approval of the European Community (EC), and that the measure "worsens the economic confrontation between Argentina and the EC." He also said that the loss of the Soviet market dealt a tough blow on the Argentine economy and its ability to service foreign debt payments, but that the government was reacting by seeking and opening operations in alternative markets such as Japan.

News reports from the United States pointed out that Reagan's decision was taken to alleviate the crisis in the local farm sector, and for electoral purposes. With congressional elections coming up next November, several Republican Party representatives from midwestern rural states are threatened to lose their congressional seats because of the party's inability to deal with the farm crisis.

Reagan's decision is expected to boost Republican candidates and maintain the party's political control of the Senate.

Intransigent Party Deputy Oscar Alende, in turn, said that the United States and the Soviet Union signed the grain accord because they always act on their own self-interest, while "for a long time we've being doing what's best for them, instead of protecting Argentine interests."

He added that "the problem is not (the policies adopted) abroad, but it lies in the Argentine ruling class and its inability to diagnose (Argentina's shortcomings) correctly."

Meanwhile the Radical National Committee issued a statement yesterday condemning the US and EEC for their "perverse" and protectionist" economic policies. The document signed by Radical Alternate President Edison Otero and National Committee Secretary (Deputy) Marcelo Stubrin also stated that despite the current world agricultural crisis, the government "will continue its efforts to modernize the agricultural productive apparatus."

Deputy Jose Luis Manzano (Renewal Peronist-Mendoza) also blasted US subsidies saying that they were signs of US "Imperialism... They want us to pay (the foreign debt) but they don't allow us to sell (by taking over Argentina's markets)," he said.

SOURROUILLE, BRAZILIAN MINISTER PRAISE ACCORDS

PY020240 Buenos Aires TELAM in Spanish 0931 GMT 31 Jul 86

[Text] Buenos Aires, 31 (TELAM) -- Argentine Economy Minister Juan Sourrouille and his Brazilian counterpart Dilson Funaro have agreed that the accords signed by the two nations will promote an integration process that will help improve the industrial capacity of both countries. Sourrouille said that the basic objective of the accords is to share the benefits of progress, adding that the only way to share them will be to courageously assume some risks, which will nevertheless be compensated for by the advantages of integration.

For his part, Funaro said: I am sure these accords will promote integration and strengthen economic growth in both countries.

The two ministers, who made these statements during the "To Grow Together" program on Channel 11 last night, said they have confidence in the results of the integration process.

Sourrouille stressed that the accords will allow the two countries to share the benefits of progress. Funaro remarked that if our combined growth will help us create new jobs, improve our standard of living, and let our business sector grow, then this is the path that we have to follow.

Sourrouille said: "We are trying to build a new country and we all find it interesting that a new generation of Argentines who think of a different world and who forget [words indistinct]."

For his part, Funaro said that the countries which seek integration and combined growth improve their bargaining capacity, not only in their negotiations over specific issues, but with the international financial system as well.

Funaro added that the accords will help strengthen the democratic processes and the economy of the two countries. He said that the accords were signed to let businessmen expand their operations and participate in the growth of the economy, because the accords do not seek to replace industries, but quite the contrary.

Communist Leader Denounces Agreement

PY021925 Buenos Aires DYN in Spanish 1416 GMT 2 Aug 86

[Text] Buenos Aires, 2 Aug (DYN) -- Communist Party Secretary General Athos Fava has denounced the Argentine-Brazilian integration agreement which he said "embraces the interests of the great transnational monopolies, to the detriment of the workers and of the two countries' peoples."

In remarks made yesterday, Fava said: "The agreement that was just signed will favor the imperialist enterprises that prevail in the two countries, and the great local economic and financial groups that are linked to them."

He said that the agreement will attract sectors of medium-sized companies with the "illusion that they will receive some crumbs, but for our workers it will only bring more unemployment and salary adjustments with the purpose of achieving more competitive conditions.

After stating that integration is an objective need for the development of the region, provided that it decisively faces the foreign debt issue and the deterioration of terms of trade, Fava concluded by saying that "a common initiative among the peoples, the workers, and the imperialist forces of the two countries should be implemented to establish a joint position against this integration project, which has been taken over by the multinational companies and their local partners."

FOREIGN MINISTER DENIES CABINET CRISIS

PY021550 La Paz La Red Panamericana in Spanish 1130 GMT 2 Aug 86

[Excerpt] Foreign Minister Guillermo Bedregal Gutierrez has reported that the president of the republic has confirmed all ministers in their posts, thus expressing confidence in his advisers. The foreign minister made this statement at Government Palace following an unexpected Cabinet meeting called by the president on Friday.

[Begin recording] [Bedregal] The president of the republic had the honor of calling for this Cabinet meeting, first of all to confirm his confidence in the entire ministerial cabinet. We are very honored by his decision. This of course gives us greater responsibility and a task much more difficult than we had before.

[Reporter] Is this meeting the result of some crisis?

[Bedregal] I do not think so. There is no crisis. Your question is the result of mere speculation, speculation by those who want a crisis in the government. There is no crisis. We made a general analysis of the situation in the country. Some problems have already been solved and others are still pending. [end recording] [passage omitted]

GOVERNMENT SAYS 'NO MEETING PLANNED' WITH CHILE

PY011439 La Paz La Red Panamericana in Spanish 1130 GMT 1 Aug 86

[Text] The Foreign Ministry has stated in a communique that no meeting has been planned with the Chilean Government. The communique states, however, that the Bolivian and Chilean foreign ministers could meet in Bogota as a result of informal, personal initiatives.

In the meantime, Consul General Jorge Siles Salinas, who returned to La Paz after meeting with Chilean President Augusto Pinochet, has remained silent.

The communique seeks to reply to a wave of protests prompted by reports that the Paz Estenssoro administration is possibly promoting rapprochement with the Chilean Government, which is at the center of international criticism.

Bolivia is seeking to solve a century-old problem stemming from the loss of its Pacific coastline during the 1879 war with Chile, but the Bolivian Foreign Ministry has not negotiated a meeting in Bogota with Chile, even with Colombia's mediation.

The Chilean and Bolivian foreign ministers will attend the inauguration of Colombian President-elect Virgilio Barco Vargas on 7 August in Bogota.

Consul Seeks Solutions

PY021641 La Paz La Red Panamericana in Spanish 1130 GMT 2 Aug 86

[Text] Bolivian Consul in Santiago Jorge Siles Salinas has stated that Bolivia and Chile must seek new formulas to resume diplomatic relations. He added that the territorial compensations issue has become the focal point of bilateral talks. For this very reason, the foreign ministers must try to solve fundamental problems and prepare new formulas to reach an agreement. It has also been reported that the Bolivian and Chilean railroad companies have agreed to review the document that will facilitate an integrated traffic system.

Carlos Delmonte, general manager of the National Railway Enterprise [ENFE], has stated that at a meeting with his Chilean counterpart they studied the possibility of establishing an integrated railroad traffic system. At that meeting they discussed the slowness of the system and the lack of payments for freight between Arica and La Paz. The Bolivian representative stated at the meeting that ENFE does not participate in the Center of Information and Coordination of the integrated traffic system. The two representatives have agreed to outline the strategy to be adopted and to obtain the approval of their respective governments.

DEFENSE MINISTER SEES DESTABILIZATION PLAN

PY020219 La Paz La Red Panamericana in Spanish 0000 GMT 2 Aug 86

[Text] Defense Minister Luis Fernando Valle stated today that there is a plan to destabilize the government. The defense minister stated that certain sectors are definitely preparing a subversive plan. He said that this plan began with an illegal consultation.

Minister Valle added that the Armed Forces are not participating, nor have they participated, in the preparation and implementation of the joint antidrug operations being carried out by special Bolivian police and U.S. troops. The defense minister justified the fact that the Armed Forces are not participating in the antidrug operation by stating that the Bolivian police do not have the necessary means to fight alone against this calamity that is affecting mankind.

Lechin Oquendo Remarks

PY021620 Paris AFP in Spanish 1348 GMT 2 Aug 86

[Text] La Paz, 2 Aug (AFP) -- Bolivian Labor Confederation [COB] leader Juan Lechin Oquendo today described a document that accuses the COB of conspiratorial intentions as a crude official maneuver. Defense Minister Fernando Valle charged yesterday that a conspiracy to overthrow President Paz Estenssoro began on 25 July 1986 when the COB conducted a popular consultation on tax reform and the payment of the foreign debt.

Lechin said that Valle should ask General Luis Garcia Meza, former de facto president in 1980-81, about conspiratorial methods since the defense minister served under Garcia Meza as interventionist of the Greater University of San Andres in La Paz. The COB leader added that Valle was a defender of mining businessman Miguel Orlandini, who a few months ago was accused of smuggling minerals and removing foreign currency from the country.

PEASANTS PLEDGE TO FIGHT FOR COCA PLANTATIONS

PY010342 Madrid EFE in Spanish 0840 GMT 31 Jul 86

[By Erick Torrico]

[Excerpt] La Paz, 31 Jul (EFE) -- Coca farmers today reasserted that they are determined to defend "with their lives" their coca plantations against the possibility that Bolivian and U.S. antinarcotics forces might try to destroy them. In this regard, a preliminary announcement was released on 30 July by farmers in Chapare, a tropical zone in Cochabamba Department, 400 km east of La Paz.

Agreement by other sectors did not take long, and the Confederation of Bolivian Settlers today in a document signed by its top leaders declared an "emergency" and a "mobilization" of its ranks to preserve the coca plantations.

The document adds that the antinarcotics groups will use poison to eradicate the coca plantations was expressed after joint operations began in the jungle areas of Beni north of Cochambamba Department, on 16 July. Government sources denied that the specialized troops would use herbicides, but apparently that statement was not convincing.

According to reports gathered by EFE, there are approximately 30,000 families growing coca in Bolivia. These families are distributed in Yungas (La Paz), Chapare (Cochabamba), and in some places in Beni and Santa Cruz departments. The peasants' opposition is based on the fact that after the destruction of the coca plantations nearly 120,000 people will be forced to face an unpleasant future. [passage omitted.]

MINISTER SAYS CAMPAIGN NOT AGAINST COCA GROWERS

PY011641 La Paz Red Panamericana in Spanish 0000 GMT 1 Aug 86

[Text] Agriculture Minister Edil Sandoval Moron has told Panamericana that the agreements reached to combat drug trafficking do not encompass the destruction of coca leaves. He said that the struggle is against drug manufacturers and traffickers.

[Begin Sandoval recording] As I understand it, this antidrug operation is exclusively against drug traffickers and manufacturers. The interior minister said that the repression is not against coca producers in the country, and I reasserted this during a trip I made to the countryside. On the contrary, we will try to achieve a solution to the production and processing of coca leaves within the framework of an agricultural development policy.

This is, for example, the problem in Chapare, where we believe the only solution is to establish a development program that will offer local peasants the possibility of participating in the commercialization and processing of their products. [end recording]

There is also an old project to replace coca growing and to establish a development program in Chapare, but it has not made great progress since it was abandoned some time ago. In this regard, the agriculture minister said:

[Begin Sandoval recording] People have been talking about this development project for many years, but I believe that because of the present repression against drug trafficking, now is the proper time to achieve a definitive solution to the problem and establish this development project. Perhaps one of the reasons this project has been postponed is because of the state of the Cochambamba-Yapacani Road, where in many areas it is impassable because its bridges are in disrepair. I believe that the government is negotiating international credits to continue the work on this important road, which will be the lifeline for this development project. [end recording]

MNR LEADER SCORES PRESIDENT, FOUNDS PARTY

PY010352 Paris AFP in Spanish 1434 GMT 31 Jul 86

[Text] La Paz, 31 Jul (AFP) -- The governing National Revolutionary Movement (MNR) has suffered a serious division with the resignation of Luis Sandoval Moron, party leader in Santa Cruz (1,000 km east from La Paz), who accused President Victor Paz Estenssoro of having betrayed all the MNR principles, programs, and guidelines.

In comments to the media, Sandoval Moron, who on various occasions was a member of Congress, protested the presence of U.S. troops in Bolivia with the excuse of struggling against drug trafficking.

He added that there is an attempt to forget that the leader of the Nationalist Democratic Action (ADN), General Hugh Banzer Suarez, was the main beneficiary of drug trafficking, which was organized during his administration (1971-1978). Sandoval then stated that Banzer and Paz Estenssoro have established a cogovernment, thus distorting the essence of the MNR doctrine.
He recalled that the MNR was created to defend national sovereignty and the workers, as well as the state owned enterprisese, but that now a foreign intervention is promoted, the workers are repressed and the destruction of the state-owned enterprises is encouraged.

Sandoval announced that he has decided to found the Popular National Revolutionary Movement of the Left [MNR Popular de Izquierda Nacional], through which he intends to advocate a joint struggle with the remaining progressive forces of the country.

GOVERNMENT TO SEEK MORE U.S. ANTIDRUG AID

PY010345 Paris AFP in Spanish 2249 GMT 31 Jul 86

[Text] La Paz, 31 Jul (AFP) -- Foreign Minister Guillermo Bedregal today announced here that Bolivia will ask the U.S. Government for increased financial support to combat drug trafficking and cope with the economic crisis. The foreign minister stated that this request will be included in a letter President Victor Paz Estenssoro will soon send to his U.S. counterpart, Ronald Reagan.

Bedregal added that the time is ripe to seriously propose such assistance because we cannot restrict ourselves to merely a police operation. Such assistance must have enough strength to last.

In conclusion, Bedregal stressed that during the upcoming international meeting in Bogota, at the inauguration of Colombian President-elect Virgilio Barco, he will propose a foreign ministers' meeting to discuss drug trafficking and regional measures to combat it.

RESULTS OF ANTIDRUG OPERATIONS REPORTED

PY010354 La Paz La Red Panamericana in Spanish 0000 GMT 1 Aug 86

[Text] We are now going to read the latest communique issued by the Interior Ministry on the joint U.S.-Bolivian antidrug operation. Another cocaine laboratory was found today during a mission by a patrol group east of the Yacuma Province, El Beni Department. The laboratory had been abandoned.

The report released by the National Police Command provides details on the operation conducted early today by the Rural Patrol Unit and U.S. logistical support based on information gathered previously.

The laboratory was found near the Caimanes River. It had been abandoned for some time, although a large Soviet-made electricity generator and a cocaine pressing machine were still there.

The operations carried out in the Chapare region have had positive results. In the San Isidro zone, a cocaine-base factory was found and 800 grams of that product were seized. No arrests were made because the traffickers, warned of the arrival of the policemen by the noise of the helicopters' engines, fled.

In the Lauca and Rivera zones, on the Chapare River, five other factories were found; three in the first zone, and two in the latter. Another patrol operation was carried out in the jungle in the Puerto Aurora, where a Bolivian Air Force Lama helicopter detected a solar battery charger, a large quantity of absorbent papers, and plastic bags with cocaine residue. They were apparently abandoned by escaping criminals. All seized material was burned.

In (Sinahota), 1700 grams of basic cocaine sulfate was seized this morning, inside a temporary hut. No detentions were made here either.

GOVERNMENT ISSUES NEW FINANCIAL LAW

PY012329 Madrid EFE in Spanish 1510 GMT 31 Jul 86

[Text] La Paz, 31 Jul (EFE) -- The Bolivian Government today took a step forward in the restructuring of its national economic system by approving a new financial law that regulates both domestic and foreign resources, as well as the activities of government officials.

Finance Minister Juan Cariaga has said that the law will support development and investment projects and that it controls public spending with the objective of reducing the fiscal deficit.

According to an official of the National Economic Stabilization and Reactivation Council, the top-ranking organization in charge of economic affairs, this law is a priority within the framework of the reorganization process of the government apparatus and of the economy which the government began to implement in August 1985.

The financial law regulates, among other things, construction contracts and the purchase of property. The new law defines the rights and obligations of public servants who are urged by the government to undertake a joint action so as to overcome the economic crisis.

The law also regulates the establishment of commissions in charge of different studies of national interest, trips of official missions abroad, and the use of government vehicles.

GOVERNMENT DECLARES AIRLINE STRIKE ILLEGAL

PY011621 La Paz La Red Panamericana in Spanish 1130 GMT 1 Aug 86

[Excerpt] The Labor Ministry has declared illegal the strike called by the workers of the Lloyd Bolivian Airline (LAB) after failing to promote a conciliatory meeting between LAB management and labor representatives. [passage omitted]

SARNEY CANCELS AGENDA; HEALTH PROBLEMS DENIED

PY040103 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 86 p 5

[Excerpt] Brasilia -- On 1 August President Jose Sarney canceled all his meetings at Planalto Palace and stayed at the Alvorada Palace, where he has his official residence. This decision surprised even his closest aides. The president's decision may have been prompted by the worsening of his tendinitis (calcification of the left elbow). However, presidential spokesman Fernando Cesar Mesquita denied that this was the reason. Mesquita said it was "a personal decision" that can be attributed to the weariness caused by the 3-day trip to Argentina. The president has been affected by tendinitis for years. [passage omitted]

EDITORIAL VIEWS DEBT PAYMENT REDUCTION PLAN

PY020148 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 Jul 86 p 2

[Editorial: "Options for the Debt"]

[Text] The idea of reducing foreign debt payment to about 2 or 2.5 percent of the GNP (from the current level which stands at 3.8 percent), as announced by Finance Minister Dilson Funaro, deserves some comment. From a political viewpoint, it is significant that the announcement was made at a moment when Brazil is in a comfortable position to ask for more flexible terms, because our country has repaid its overdue obligations and has chosen to deal directly with its creditors without IMF support. In fact, our economy should continue to grow despite the setbacks that can hamper this process, such as a drop in investments. During the 1970's, investments surpassed 25 percent of the GNP. Now they stand at 15 percent. If the payments on the interest remain at their current level, about 4 percent of the GNP, it will be very difficult to increase investments.

Nevertheless, two observations must be made in connection with the reduction announced by Funaro. First, no one in Brazil will even consider breaking relations with the international financial system. Therefore, it is necessary to couple this idea of lower payments with realistic negotiations. Second, Brazil's own economic growth will automatically reduce the GNP percentage mentioned by the minister. In fact, if one assumes that the total debt remains unchanged, the GNP growth will reduce the percentage, even if the interests do not change.

It would also be opportune to negotiate the spread [preceding word in English] that Brazil pays in addition to the interest rate. Spreads and commissions account for 3 percent of the debt, and it is worth noting that this percentage is equivalent to that of the years in which international interest rates were at their highest. As a matter of fact, when interests stood at 21 percent, the spread and commissions accounted for barely 1/7 of that total. Today they account for almost 50 percent of interest rates, which have dropped to about 7 percent.

Thus, the finance minister's offensive is justified. Yet one must take into account that negotiations should not deal only with spreads and commissions. Negotiations could propose alternatives for longer terms and there are many possibilities in this regard. Never before has Brazil been in such a comfortable position to insist on such proposals. For example, part of the interests might be capitalized and thus be repaid at a time when new investments reach their productive phase, making such payments less painful to the Brazilian economy. It is also possible to transform part of the contracted loans into risk capital, offering creditors a share in domestic investments. In this regard, the recently created National Development Fund, in which foreign capital is allowed to participate, is a good opportunity.

These alternatives must be seriously analyzed and, despite the fact that they deal with only one aspect of the debt problem, the firm remarks by Minister Funaro can serve to bring negotiations closer to our economic reality.

MINISTER SAYS UNILATERAL DECISIONS 'CLUMSY'

PY020202 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Aug 86 p 34

[Text] The Brazilian Government's intention to reduce the servicing of the foreign debt to 2.5 percent of the GDP will be made known to the creditor banks in the next round of negotiations scheduled for September, Finance Minister Dilson Funaro announced yesterday. He affirmed that "the time has come" to review some aspects of the debt negotiations, such as the payment of high spreads in connection with long terms. Funaro believes that apportioning more than 2.5 percent of the GDP to service the foreign debt is incompatible with the government's intention to have the economy grow at 7-8 percent per year. He pointed out however, that this position does not mean that negotiations will be disregarded and added that unilateral decisions are "clumsy."

He then explained: "When Brazil is approaching negotiations, it cannot firm up a position prior to reaching an understanding. A position taken unilaterally would reveal clumsiness, because we have to negotiate. The 2.5 percent is a target that will guarantee both Brazil and the international financial community that our growth will back our decision to honor our commitments, without hindering the country's development." He compared the approach of the previous governments, which "paid attention to foreign policy first and then to our economy," with the approach of the current government, which "has a growth target to serve as a basis for negotiating the foreign debt."

Regarding relations with the IMF, Funaro noted the government's position to coexist as the IMF does with Italy and France, "without negotiating items of our economic policy." He then made it clear that Brazil does not accept specific agreements with the IMF nor the monitoring of our economy by the IMF, complying only with Article 4 of the institution's statute, as do other countries. Under that article, the IMF can send missions to the debtor countries once a year, to review the accounts and examine the performance of the economy.

Further on IMF, Argentina

PY011630 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Aug 86

[Excerpt] [passage omitted] Concerning the opinion of U.S. Federal Reserve Bank President Paul Volcker, who has suggested that the IMF should again monitor Brazilian economic policies, Finance Minister Dilson Funaro has said that Brazil is simply a member of the IMF through Article 4, just like the United States and France. In the case of those two countries, the IMF just gathers information without discussing the policies that those countries should adopt. Minister Funaro added that Brazil is not asking the IMF for further loans or asking that it replace its reserves.

Regarding the bilateral agreement between Brazil and Argentina, the finance minister said that a certain period of time is required before the implementation of the measures signed in Buenos Aires by Presidents Raul Alfonsin and Jose Sarney, but he said that the agreement will be registered with ALADI. According to the agreement, the customs tariffs on certain products will immediately be reduced to zero, thus allowing the two nations' agricultural products to complement each other since Argentina and Brazil have different climates and harvest at different times of the year.

CHANGES MADE IN HIGHER MILITARY COMMANDS

PY020222 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Aug 86

[Text] President Jose Sarney has signed a decree by which Admiral Jose Maria do Amaral, chief of the Armed Forces General Staff [EMFA[, and General Ivan de Souza Mendes, chief of the National Intelligence Service [SNI], will be retired. There will be no change in the SNI, but in the case of EMFA there are legal provisions forbidding a retired officer to occupy the position of chief. Admiral Amaral will probably be replaced by General Paulo Campos Paiva, former military commander in the south.

New Army generals have been appointed to the following positions: (Harry Alberto Shardof) will be chief of the Army Teaching and Research Department, Diogo de Oliveira Figueiredo will be chief of the War Material Department; and Athos Cesar Batista Teixeira will be chief of the Engineering and Communications Department.

Meanwhile, the new Division Generals Antonio Luis Rocha (Deneu), Antonio Paiva Chaves, and Inaldo Seabra Noronha will head the Directorate of Specialization, the Directorate of Mechanization, and the Directorate of Training, respectively.

SOVIET SIGNALS REPORTEDLY AFFECT HAM RADIO BANDS

PY021404 Sao Paulo VEJA in Portuguese 23 Jul 86 p 43

[From the "Radar" page]

[Text] Brazilian installations tracking clandestine transmissions are trying to identify a strange and strong intermittent signal that has been interfering with ham radio bands throughout the country. According to Dentel [National Telecommunications Department] equipment, the signal comes from the Asian region of the Soviet Union near the border with Afghanistan.

Dentel has already asked for the help of U.S. Government experts to determine the origin of the interference, which is believed to be caused by very strong radar signals. The problem has not yet been solved.

FOREIGN MINISTRY COMMUNIQUE ON ABRAMS REMARKS

PY012348 Santiago Domestic Service in Spanish 2310 GMT 1 Aug 86

[Text] The Chilean Government has conveyed to the U.S. Government its displeasure over recent remarks of U.S. Assistant Secretary of State for Inter-American Affairs Elliott Abrams. Jaime Herrera, acting director general for foreign policy of the Chilean Foreign Ministry, this afternoon commented on the note that Foreign Minister Jaime del Valle delivered to the U.S. ambassador.

[Begin Herrera recording] On instructions issued by the minister of foreign relations I will read the following press release to you:

At 1730 local time today I received U.S. Ambassador Harry Barnes to whom I handed a diplomatic note conveying the profound displeasure of the Chilean Government over the remarks which Mr Elliott Abrams, U.S. assistant secretary of state for inter-American affairs, made at the International Banking Organizations Subcommittee of the U.S. House of Representatives on 30 July. In addition to the note, I verbally conveyed our desire to avoid this type of situation, which does nothing to enhance the atmosphere of positive understanding, which we want to maintain with the U.S. Government. [end recording]

Abrams said in Washington that credits to Chile should be restricted, taking into account the status of human rights and of the progress toward full democracy in Chile.

Businessmen Lobby Congress

PY021726 Santiago Domestic Service in Spanish 1100 GMT 2 Aug 86

[Text] Chilean production and industrial organizations have joined a campaign to send telegrams to U.S. congressmen to oppose maneuvers to block international loans to Chile. The plan has already been approved by the Production and Commerce Confederation, headed by Manuel Feliu, and the Industrial Development Association, which is organizing the campaign. The Chilean Construction Chamber, headed by (Jorge Bronfman), will soon join the campaign, according to an announcement by its leader. In Washington, Congressman Michael Barnes is lobbying for an amendment obligating U.S. representatives to the World Bank and the IDB to vote against new credits to Chile.

The Sofofa has already sent a telex to members of the U.S. House of Representatives Banking Committee, telling them that voting against credits to Chile harms all the people, particularly the poorest. The telex adds that this measure counters the efforts of 12 million Chileans to continue the process established in the Constitution to reach full democracy in 1989, despite strong Marxist opposition.

In turn, the Production and Commerce Confederation, headed by Manuel Feliu and including all the branches of production, trade, and finance of the country, has also sent a [word indistinct] letter. It says that voting against credits to Chile will make our transition to democracy more difficult and will only contribute to [words indistinct] because of such restriction on our economy. The letter adds that the results would lower the standard of living of the Chilean people. We strongly oppose these measures, and we ask you not to support them.

EEC ASKS GOVERNMENT TO RETURN TO DEMOCRACY

PY011737 Buenos Aires Domestic Service in Spanish 1600 GMT 31 Jul 86

[Relay from Santiago Radio Cooperative by Jose Luis Levingston]

[Text] British Ambassador John Hickman, in his capacity as representative of the EEC in Chile, today urged the Chilean Government to promptly adopt measures designed to restore democracy in an orderly manner and to initiate a dialogue with the democratic opposition.

The British ambassador held a 30-minute meeting with Foreign Minister Jaime del Valle in the Red Hall at the Foreign Ministry.

Hickman said that he told the foreign minister of the EEC's deep regret at the deaths and damage that resulted from the demonstrations of 2-3 July in Chile and that it condemns violence, no matter its origin. The EEC, he said, believes and hopes that the Chilean authorities will clarify and make public all the details of the tragic cases of Rodrigo Rojas Denegri and Carmen Gloria Quintana.

When the ambassador was asked whether his statement represented intervention in Chilean domestic affairs, he replied: I do not think so because the main purpose of diplomacy is for one government to explain to another its opinions and points of view. This does not, therefore, represent intervention. Intervention means something else, it is something much more direct.

The ambassador was then asked whether he considered the steps established by the Chilean Constitution to be insufficient for a return to democracy. Ambassador Hickman answered: I am not going to make any further comments on this occasion. You will recieve a copy of my statement.

This is all we can tell you from Radio Cooperative in Santiago, for Radio Nacional of Buenos Aires.

Receipt of EEC Request Denied

PY020127 Madrid EFE in Spanish 0042 GMT 2 Aug 86

[Text] Santiago, 1 Aug (EFE) — Foreign Minister Jaime del Valle today denied that a representative of the EEC has conveyed to him that community's desire to see a prompt return to democracy in Chile.

When asked about the remarks of UK Ambassador John Hickman, who contends that during his meeting with the foreign minister today he urged the Chilean regime on behalf of the EEC, presided over by the United Kingdom, to "promptly adopt measures designed to restore democracy in an orderly manner and to initiate a dialogue with the democratic opposition," Del Valle stated that "he told me no such thing and the subject was not mentioned."

When local journalists questioned Del Valle, the Chilean minister explained that Ambassador Hickman went to the Foreign Ministry to greet him after a 1-month absence from Chile.

The minister added that during his visit, the ambassador, "without reading any statement, commented on the concern that the EEC feels over the course that Chile is following toward full democracy."

According to Del Valle, the ambassador "did not read any document, nor did he leave any with me. He simply listed briefly the items over which the EEC is concerned, items which are practically the same as always."

As far as Minister del Valle is concerned, "we are not greatly interested in any calls made upon us because we have a clearly established timetable and a course of action, and the calls that any given country may make are neither here nor there as far as we are concerned."

The foreign minister added that "they are free to make calls if they want to. Our answer to them is that we have a course of action set; it is our sovereign right to follow it, and other countries have no business meddling in how or when we act."

Asked whether Ambassador Hickman's statement implied interference in Chile's domestic affairs, the foreign minister said: "The nature of my meeting with the ambassador did not in the least imply any interference."

COURT UPHOLDS INDICTMENTS OF ANC LEADERS

PY010340 Madrid EFE in Spanish 0151 GMT 1 Aug 86

[Text] Santiago, 31 Jul (EFE) -- The apellate court today confirmed that 13 out of the 14 top leaders of the opposition National Civic Assembly [ANC] organization, who have been imprisoned for more than 3 weeks, will remain indicted. The court did not discuss the appeal of the indictment of Eduardo Valencia, a representative for poor neighborhood inhabitants.

The apellate court today refused to hear an appeal of the indictments of the ANC leaders and ruled that ANC President Dr Juan Luis Gonzales and 12 other members of the national executive board of that opposition organization must remain indicted as presumed perpetrators of three violations of state security law. These crimes involve meeting for the purpose of overthrowing the government or attacking its stability, calling unauthorized public rallies, and calling a general strike. The court cancelled indictments regarding three other crimes related to public order disruptions.

The 14 top leaders of the ANC are in jail and are being tried on a petition filed by the military government for having committed the crimes of sponsoring and calling a general strike for 2 and 3 July.

The ANC, which was created in April 1986, represents the largest group of social, trade union, and labor opposition organizations that has emerged in Chile since the military coup on 11 September 1973.

The ANC is supported by political parties, both rightwing and leftwing, including the Marxists, and its goal is to strongly practice civil disobedience until the regime of General Augusto Pinochet is forced to give way to a democratic system.

At this moment, however, with its top leaders in prison and an acting national executive board studying the strategy to be pursued in the future, the ANC has not sponsored any important actions since the general strike was held 1 month ago.

Jailed Leaders Write Presidents

PY030310 Madrid EFE in Spanish 1605 GMT 2 Aug 86

[Text] Santiago, 2 Aug (EFE) -- The 14 top leaders of the ANC today sent letters to Argentine President Raul Alfonsin, Brazilian President Jose Sarney, and Uruguayan President Julio Maria Sanguinetti. They told the three presidents that "very soon Chile will join the group of free nations."

The letters are signed by all detained ANC leaders, including ANC President Jual Luis Gonzales, who is also president of the Chilean Federation of Professionals and of the Chilean Medical Association. The letters said: "From the jails of the military dictatorship we want to express to you our gratitude for the solidarity your governments and the main social and political organizations of your countries have conveyed for our struggle to restore democracy in Chile."

The ANC leaders added: "Our unjust imprisonment symbolizes the expressed intention of the current regime to perpetuate itself in office until the end of this century. This is not only a tragedy for the Chilean people, but also a stumbling block for the consolidation of democracy in South America." The ANC leaders concluded by stating that the Chilean people "will remember and will be grateful" for the "democratic commitment" of the presidents and peoples of Argentina, Brazil, and Uruguay.

UNIDENTIFIED PERSONS SHOOT AT OSORNO BISHOP

PY021545 Paris AFP in Spanish 1417 GMT 2 Aug 86

[Text] Osorno, Chile, 2 Aug (AFP) -- Some unidentified individuals last night fired at Msgr Miguel Caviedes Medina, bishop of the city of Osorno in southern Chile. The bishop was not hit. Caviedes was in his residence when a single bullet passed close to him after going through two wooden screens. The bullet was stopped by a brick and cement wall.

The prelate, 56 years old, said that the Carabineros believe that a large-caliber weapon was used and that the shot was fired from a plaza in front of the house. A nun and a student, living in the same house, heard the shot and the noise of a car that immediately drove off at high speed.

Two days ago Caviedes publicly supported a petition by Cardinal Francisco Fresno that the courts thoroughly investigate the case of two young opponents of President Augusto Pinochet's military regime who were burned alive by an Army patrol according to eyewitness reports.

Someone might be annoyed with me for supporting the cardinal, and that could be the reason for the attack, said the bishop of Osorno, 975 km south of Santiago. The situation in the country is getting steadily worse. Caviedes recalled a recent call by the Chilean Bishops Conference for pacification and said that political terrorism is one of the causes of the violence denounced by Catholic churchmen.

The bishop said: The situation is becoming polarized, and many people see violence as the only solution, while in truth, violence is precisely the nonsolution. He added: People do not listen to the bishops who speak calmly and for the good of Chile, and when the pastors are not listened to, the result is clear: this country is destroying itself. He concluded by stressing that the spiraling violence must be stopped.

BETANCUR'S CABINET TENDERS RESIGNATION

PA011429 Paris AFP in Spanish 1413 GMT 1 Aug 86

[Text] Bogota, 1 Aug (AFP) -- Conservative President Belisario Betancur's 13 Cabinet members tendered their resignations today in a traditional act of protocol that serves as the prologue to the conclusion of his period as head of state. According to the information provided by the public health minister, the Cabinet's joint letter was presented to President Betancur at the last council of ministers of the present administration, which concludes its period in office on 7 August.

BARCO SAYS NEW GOVERNMENT WILL NOT BE SHARED

PA030339 Bogota EL TIEMPO in Spanish 30 Jul 86 p 2-b

[Excerpts] President-elect Virgilio Barco yesterday announced that the adminstration will not be distributed in political or group shares; it will be one administration. Barco made this statement before hundreds of party leaders at the Liberal Party National Directorate, where he received an immediate action plan for Bogota.

Barco said his government would be one "of big changes" and once again requested the active and permanent presence of the members of the Liberal Party and the people in general in political activity. "I will promote change with determination, without truce or rest," Barco told the leaders who were responsible for his campaign in Bogota. [passage omitted] "Today I have come here to reiterate what I said on many occasions during the campaign, because there is no difference between the candidate and the man who will be president. We will face difficulties, there will be setbacks, misunderstandings, as well as the overt or covert actions of the recalcitrant groups. But I know that you will accompany the new government, explain and spread its actions, and understand that the path ahead will not be an easy one." [passage omitted]

FORCES UNCOVER PLOT TO SABOTAGE INAUGURATION

PA031916 Madrid EFE in Spanish 2010 GMT 2 Aug 86

[Text] Bogota, 2 Aug (EFE) -- The authorities have reported that Colombia's secret services recently discovered a guerrilla plan to sabotage the inauguration of President-Elect Virgilio Barco Vargas on 7 August.

Army General Command Augusto Moreno Guerrero said that the country's military and police intelligence forces captured 27 rebels in Bogota and several others in Cali and seized weapons from them.

Moreno Guerrero said that after the operations in Bogota and Cali, "the authorities were able to discover a widespread plan that the subversives were planning" for 7 August to sabotage the inauguration.

On 7 August Barco Vargas will assume office, replacing Belisario Betancur. The inaugural activities will be attended by 8 presidents and chiefs of state of Latin America, as well as by delegations from more than 60 countries.

"We have made efforts to prevent actions by subversives and terrorists," Gen Moreno Guerrero said, adding that the military and police operations that are being carried out, "day and night, will continue until after 7 August." The top military officer said that the military forces, the police, and the intelligence services "can guarantee the integrity of all the people and the chiefs of states who will attend the inauguration of the new president."

An M-19 supply group was dismantled in Bogota in the past few hours. Ten rebels were captured and M-19 weapons and documents were seized as a result of this operation.

General Luis Eduardo Roca, commander of the 13th Army Brigade, headquartered in Bogota, held a news conference at the garrison and said that the M-19 "suffered a new blow" and that 27 rebels captured in the past few days "have been turned over to a military judge."

In Cali, the metropolitan police also captured two insurgents, seized weapons, and foiled plans scheduled for 7 August. The authorities identified the captured guerrillas as Fabio Marino Vargas, alias "Hipolito Blanco," an ideologist and member of the M-19 general staff and of the organization's "Western Regional Office," and Adriana Sandoval Millan, better known as "Marcela," who was in charge of the "people's militias" in the city's poor neighborhoods. The police reported that the rebels were carrying documents on "a vast terrorist plan prepared for the change of government ceremony," as well as weapons and explosives. Last week, the authorities also recovered more than 70 boxes with 25 kg of dynamite each which the M-19 stole from a cement factory near Cali.

According to military sources, the dynamite was to be used to "blow up bridges and public buildings" to cause chaos during the commemoration of the 450th anniversary of the founding of Cali, which was celebrated on 25 July, and also to cause similar chaos to "sabotage the inauguration of the new Colombian president."

BETANCUR DEPLORES MURDER OF JUSTICE BORDA

PA031958 Bogota EL TIEMPO in Spanish 1 Aug 86 p 11 C

[Communique issued by President Belisario Betancur on 31 July]

[Text] The national government and the president of the Republic, deeply affected by the treacherous assassination of Justice Hernando Baquero Borda, express their condolence to his grieving wife, his family, and the judicial branch, including the Supreme Court. They repudiate this action that ratifies the decision of organized crime to destroy the integrity of our institutions and the lives of those who represent them. This morning's terrorist act calls for unanimous action from society and prompt and complete justice in order to stop the plans of violent criminals who are not intimidated and who do not hesitate in the face of the vigilance the state has implemented to protect the lives of the citizens.

The government and the president urge the citizens to overcome the hours of anguish, close ranks, and join efforts in favor of life which the paid assassins of organized crime are trying to destroy. The homeland urges all good citizens to build a wall against crime. The homeland and its good children are stronger than crime and criminals.

Supreme Court Communique

PA031943 Bogota Television Service in Spanish 0100 GMT 3 Aug 86

[Communique issued by the Supreme Court of Justice on the murder of Justice Hernando Baquero Borda; date not given]

[Text] In view of the murderous violence that tries to destabilize the republican institutions that govern us, the court expresses to the country its firm decision to continue fulfilling its duties as it has always done throughout the country's history. The court is waging an unequal struggle that must be compensated with the presence of the state and society, not only through the demonstration of the solidarity which such a difficult task demands, but also by the understanding that the first priority, the most authentic urgent need is to meet the needs of the judicial branch. Nevertheless, the court takes the liberty of stating that it believes that the situation in which it has been placed makes it almost impossible for the court to properly fulfill its legal and constitutional functions. In view of that critical situation and aware that the cruel reality of the actions exceed its resources, which are simply legal and spiritual in nature, leading it to the ultimate limit of its capacity of devotion and sacrifice, the court appeals to the nation so that its resolute support will enable the court to overcome this crisis. The court urges the executive and legislative branches to become fully aware of the very grave crisis in which the unleashed violence has placed it and adopt the necessary and sufficient measures for adequate functioning of the nation's institutions, especially the weakest and most defenseless among them, the judicial branch. There is no effective policy to eradicate the causes of the grave violence that affect it, nor has a serious and convincing effort been undertaken to eliminate them through the deep commitment of all the proper authorities. The court reports to the nation that the judicial branch has had to face its mission practically alone. In none of the reports on peace and violence are the countless number of magistrates, judges, and employees who have fallen while fulfilling their duty included. They are anonymous deaths, innocent victims that the society takes for granted as if that was the inexorable fate of those who make the huge commitment of imparting justice. One cannot ignore the fact that one of the factors that serves as a backdrop to this crisis is the extradition treaty signed with the U.S. Government. It was negotiated by the executive branch and unanimously approved by the Congress. The court has solely had to consider specific cases and to rule on their constitutionality, a task that it has zealously carried out with absolute impartiality and total respect for the rights of individuals. In view of this international agreement and the inconsistent way that it has been interpreted by the executive, the court hopes that the other branches of government will also fulfill their own duties so that any doubts will be dispelled, responsibilities will be established, and tranquillity will clearly prevail. Justice requires such a climate for the proper fulfillment of its functions. To date the court has been a defenseless and isolated victim of the most brutal outrages, the sources of which remain a mystery. It is obviously not enough that the people silently condemn them. Colombian society must do more. This is demanded by the grandeur of the fatherland and the citizens' strength of character.

300 Judges Protest, Resign

PA040148 Bogota EL TIEMPO in Spanish 1 Aug 86 p 11-c

[Text] Approximately 300 judges in Bogota and El Valle resigned en masse yesterday and strongly protested the murder of Hernando Baquero Borda, magistrate of the Supreme court of Justice.

The judges issued communiques to the news media deploring the murder, which occurred yesterday morning, and rejected the inefficacy of the security measures which were adopted by the executive branch to protect those who are in charge of enforcing the law. The 29 civil judges in Bogota announced that all the legal processes were being suspended for an indefinite time and formally presented their resignations, demanding protection, given the abandoned state in which the members of this branch currently find themselves. They demanded thorough investigations to ascertain who is responsible for this and other crimes. Members of the judiciary in El Valle vehemently protested the crimes against them and also presented their formal resignations. Justice Baquero Borda's murder has provoked serious protests throughout the country and prompted the judicial official's decision, which will paralyze at least 12,000 cases. The judges in Bogota issued the following communique: "The civilian judges of the Bogota Circuit, during a meeting held this morning, 31 July 1986, agreed to issue this communique to state:

"A. Our deep feelings of sorrow and bitterness over the murder of Dr Hernando Baquero Borda, magistrate of the Honorable Court of Justice.

"B. Our solidarity with the illustrious dead man's family.

"C. The feeling that we have been abandoned while engaged in our job of enforcing the law, and the deep sense of defenselessness and insecurity concerning the lives of those who have toiled in these unrecognized and disrespected activities, and who are now victims of all kinds of attacks.

"D. Our request that investigations be carried out to clarify these crimes and to punish the culprits, and that a radical and definitive solution be adopted to offer security to all of us, given that the measures which have been adopted so far have proved ineffective.

"E. Given our awareness of the current situation and our lack of proper means to defend ourselves, we have agreed to indefinitely suspend our activities as of this date.

"F. Given the general indifference which prevails, and the increasing number of victims among us, we present a joint resignation from our posts."

DEFENSE MINISTRY ON GUERRILLA SEIZURE OF TOWN

PA011836 Paris AFP in Spanish 1550 GMT 1 Aug 86

[Text] Bogota, 1 Aug (AFP) -- The Defense Ministry has announced in Bogota that the Maoist Popular Liberation Army (EPL) is today holding with fire and blood the agricultural town of Andes (population 60,000). Andes is located in the northwestern Colombian Department of Antioquia. The attack began at 1415 GMT, according to initial reports. Several policemen in a barracks that was caught by surprise were killed. Several banks have been seized, and communications have been cut. The EPL has reportedly announced that this attack is in reprisal for the death last week in Antioquia of the second in the command of the leftist M-19 Movement, Gustavo Arias Londono, alias "Boris." The EPL and the M-19 form part of the so-called National Guerrilla Coordinating Board.

ROK DEPUTY PRIME MINISTER ON OFFICIAL VISIT

PA021728 Paris AFP in Spanish 1556 GMT 2 Aug 86

[Text] Quito, 2 Aug (AFP) -- Kim Man-je, South Korean deputy prime minister and minister of the Planning Board, arrived in Quito today to begin an official visit that will conclude on 5 August. After visiting his country's embassy, Kim will meet on Monday morning with President Leon Febres Cordero, Vice President Blasco Penaherrera, and Foreign Minister Edgar Teran.

Penaherrera will hold a luncheon in Kim's honor. Kim will meet with the president of the Supreme Court and in the evening will hold a reception in honor of the Ecuadoran vice president.

TERAN DENIES CHARGES ON MILITARY PROJECTS

PA020321 Quito Voz de los Andes in Spanish 1130 GMT 30 Jul 86

[Text] Jaime Hurtado Gonzalez, national director of the Democratic Popular Movement [MPD], has leveled serious charges against the national government, saying that an institution similar to the School of the Americas would be established in the country to train military personnel. He also charged that the United States would be allowed to install a missile flight control station in the Galapagos and to build a highway in Manabi. These measures assail the national sovereignty. Here is Foreign Minister Edgar Teran Teran on this subject:

[Begin recording] [Teran] I listened to Hurtado's remarks. He also urged the government to make an official statement. It is my fundamental duty as minister of foreign relations to reply to Hurtado's (?accusations). I will do so now. As the entire country knows, for many years, approximately 25 to 30 years, the Ecuadoran and U.S. Armies have customarily held joint maneuvers.

(?On this occasion) the chiefs of the respective Armies have been talking about the possibility of conducting exercises which are not strictly military in nature, but engineering exercises, [word indistinct] building roads, with interesting technological support from the U.S. Army which has very sophisticated equipment. This could serve to build a 30-km highway between two points in Manabi Province; that is, between San Vicente and (Samoa). Clearly, this highway will serve several towns in that province.

Obviously, this initiative may not become a reality. The highway may not be built. No agreement, commitment, or treaty has been signed and the Foreign Ministry has not been involved in this matter. I make this clarification because of the way in which the government has been (?accused) in this matter. For additional information on this matter, please consult the defense minister or the Joint Chiefs of Staff of the Armed Forces, whom I spoke with before making this statement.

[Reporter] Does this mean that you know [words indistinct]?

[Teran] The initiatives on the joint maneuvers, [words indistinct] stem from the sort of relations between the two (?countries). I do not know the details. The Defense Ministry can provide additional details.

[Words indistinct] when President Leon Febres Cordero requested permission from the Tribunal of Constitutional Guarantees to travel to Costa Rica and Honduras, it was mentioned that there was a project to install sophisticated equipment in the Galapagos for "star wars" [guerra de las galaxias] and that installations for the School of the Americas would be built in the eastern zone. All of this is absolutely false. All of this is absolutely false [Teran repeats himself].

There is no initiative to do anything in the Galapagos Islands other than affirm our sovereignty as [words indistinct] sovereignty, proclaiming Ecuador's sovereignty over the territorial waters as the president did a few months ago. As for the School of the Americas, this is such a crass slander. It is worth noting that the School of the Americas for training officers operated in Panama, about a year ago its highly sophisticated and costly installations were moved to the state of Georgia.

An additional element of this slander is to say that the Ecuadoran Government was thinking of [word indistinct] military objectives for any place in the country. It is false, slanderous, and unpatriotic to utter this sort of remark. These are (?my) categorical and final comments on these remarks. I am delivering to the news media the instructions given our ambassador in Madrid regarding something slightly similar to today's remarks, which have been rehashed in a Spanish magazine. [end recording]

BRIEFS

NEW PARAGUAYAN AMBASSADOR -- Esteban Ojeda Saldivar, new Paraguayan ambassador to Ecuador, has presented his credentials to President Leon Febres Cordero. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 1 Aug 86 PA]

LOAN FROM ANDEAN FUND -- In his capacity as honorary witness, Engineer Leon Febres Cordero, Ecuadoran head of state, has signed an agreement involving a $175-million loan designated by the Andean Reserve Fund to ease the Ecuadoran balance of payments. [Excerpt] [Quito Radio Quito in Spanish 2300 GMT 30 Jul 86 PA]

PRESIDENT GARCIA CANCELS TRIP TO COLOMBIA

PY012001 Paris AFP in Spanish 1940 GMT 1 Aug 86

[Text] Lima, 1 Aug (AFP) -- It was officially reported today in Lima that President Alan Garcia has canceled his trip to Colombia where he was to have attended the inauguration of Colombian President-elect Virgilio Barco. Garcia was scheduled to travel to Bogota on 7 August and return immediately. Senator Luis Alberto Sanchez, first vice president of the Republic, will travel in his place.

Garcia's decision was announced by Leonel Figueroa, president of the National Reserve Bank, who said that Garcia canceled his trip because he is worried about the developments concerning the national economy.

GOVERNMENT EXTENDS STATE OF EMERGENCY IN LIMA

PY011949 Paris AFP in Spanish 1806 GMT 1 Aug 86

[Text] Lima, 1 Aug (AFP) -- The Peruvian Government has issued a decree extending the state of emergency, with the suspension of constitutional guarantees for 30 days, in Lima and in the province of Callao which have been affected by terrorist acts, it was disclosed. The extention is in effect as of today.

As a result the government continues to suspend individual rights, including the right to be protected against trespass, the freedom to choose where to reside, the freedom of assembly, and the right to be detained only through a court order.

This extension was approved by the Council of Ministers subject to a previous report to Congress. According to the Supreme Decree published today by the Official Gazette, the Armed Forces will continue to control internal order in Lima and the neighboring Port of Callao on the Pacific coast.

The measure, which includes a curfew between 0100 and 0500 local time, was decreed by President Alan Garcia on 7 February in view of the wave of attacks, fires, abductions, and power outages that were affecting Lima.

A state of emergency remains in force in 20 provinces of the Departments of Ayacucho, stronghold of the Andean guerrillas, and in Huancavelica, Apurimac, Huanuco, and Pasco, where the Armed Forces are in military and political control.

Emergency Extended in Ayacucho

PY032310 Madrid EFE in Spanish 1624 GMT 3 Aug 86

[Excerpt] Lima, 3 Aug (EFE) -- The Peruvian Government has announced that it will extend the state of emergency for another 2-month period in the 19 provinces that encompass the Departments of Ayacucho, Huancavelica, Apurimac and Huanuco, which are considered to be the center of activities of the Maoist group, the Shining Path.

The government measures notes that the state of emergency has been extended because "the reasons which led to the enforcement of the state of emergency continue," and it adds that its objective is "to restore public order."

Ayacucho and nearby departments have been under a state of emergency since the beginning of 1983, when the government of Fernando Belaunde Terry charged the Armed Forces with the struggle against terrorism in the area.

Since that time, the state of emergency has been extended every 2 months, because the Peruvian Constitution establishes that the state of emergency can be established for only 60 days.

The declaration of state of emergency implies the suspension of individual rights and the control of the entire area by a political-military command. At present the Armed Forces are headed by General Gil Jara. The state of emergency is also enforced in two provinces of the Cerro de Pasco Department, located in the main mountainous area of the country, and in Lima and the port of Callao. [passage omitted]

ESCALATION OF ATTACKS ON APRA OFFICES CONTINUES

PY012311 Madrid EFE in Spanish 1547 GMT 1 Aug 86

[Text] Lima, 1 Aug (EFE) -- The terrorist escalation that began in Peru after the massacre of some 300 prison inmates on 19 June in Lima has increased over the past few days with several attacks on offices of the ruling party American Popular Revolutionary Alliance [APRA]. Since the events at the prisons, seven APRA militants have been murdered by Shining Path.

The attacks carried out yesterday in Lima against four APRA offices and eating establishments as well as against the house of an APRA councilman have marked the preparations of the acts that begin today in Peru to celebrate the 7th anniversary of the death of Victor Haya de la Torre, leader and founder of APRA.

Similar attacks were perpetrated last night in Lima against two stores of a well-known chain, a brick factory, and a bank agency.

The most serious attack took place in the city of Huanuco, capital of the Huanuco Department, north of Lima. There, 50 dynamite sticks were placed in the main APRA office, where several local officials and approximately 100 members were meeting.

Last night, as reported today by the newspaper LA REPUBLICA, a woman infiltrated a group of the participants and left a briefcase containing dynamite in the bathroom. The suitcase was discovered before it could explode. According to the report, the woman was detained and identified as Teresa Huallca. She said she belonged to a "death squad" of the Shining Path Maoists.

The Shining Path terrorists also attacked four APRA offices in Huanuco, throwing explosives and causing some property damage.

In the city of Huancayo, 415 km southeast of Lima, several incendiary bombs left the movie theater "Central" in ashes. Police managed to deactivate other incendiary bombs in three other movie theaters in that city.

A car bomb also exploded yesterday in this city. The explosion caused serious injuries to one person and damaged several houses. The car bomb, which was placed in a stolen truck, was apparently intended to explode in front of the police headquarters. So far the police have detained some 100 suspects in Huancayo.

Meanwhile, the APRA members today began several political and religious acts to celebrate the 7th anniversary of the death of Haya de la Torre, president of the Constituent Assembly that gave Peru its current Constitution.

POLICE ARREST 400 IN LIMA, NEIGHBORING AREAS

PY301716 Buenos Aires TELAM in Spanish 0230 GMT 30 Jul 86

[Text] Lima, 29 Jul (TELAM) -- About 400 people have been arrested in the last few hours in exhaustive preventive police operations in Lima, neighboring districts, and the nearby Callao Port.

Spokesmen from the Civil Guard 2d Region public relations department have reported that 220 people, suspected of carrying out activities outside the law, were arrested in operations carried out in the Carmen de la Legua and Callao jurisdictions. A similar number of people were also arrested in Lima.

In many cases the people who were arrested because they lacked identification papers were investigated by the police and later released and placed at the disposal of the proper authorities.

BANK OFFICIAL ON 'ALTERNATIVES,' IMF DISCUSSIONS

PY030225 Paris AFP in Spanish 1616 GMT 2 Aug 86

[Text] Lima, 2 Aug (AFP) -- Central Reserve Bank (BCR) President Leonel Figueroa has stated in Lima that Peru will propose several alternatives to the IMF before 15 August, the date on which a $180-million payment on interest to the IMF falls due. Figueroa, who left early this morning for Mexico to seek agreements concerning the drop in the international price of silver, said last night that from Mexico City he will go to Washington to attend IMF meetings. Some Peruvian payments to the IMF will fall due on 15 August.

Regarding the possibility that the IMF might declare Peru ineligible for IMF loans if it fails to honor its debt commitments, Figueroa said that we still have a few days to study what could happen. Figueroa said: Until then, there are many things to do... to this end, the government is studying several algernatives. He was thus indicating that Peru might hold some sort of dialogue with the IMF.

The IMF board normally meets at its Washington headquarters. I will probably go there for the meeting, Figueroa said.

Figueroa reiterated, however, that Peru cannot possibly make the payments. A few days ago Economy Vice Minister Gustavo Saberbein said Peru would make a goodwill payment, but in keeping with the Peruvian decision to limit its payments on its public foreign debt -- which totals $12 billion -- to 10 percent of its export revenues.

Saberbein said that the Peruvian foreign debt totals more than $14 billion, including a $2-billion private debt, and that the Peruvian debt to the IMF -- totaling $800 million -- would be paid, but he did not give any figures.

Commenting on his trip to Mexico, Figueroa said he will discuss the possibility of reaching some agreements on the world silver market, in which Peru and Mexico play a leading role.

GOVERNMENT DECREES INTERVENTION OF GLORIA COMPANY

PY301926 Lima Television Peruana in Spanish 0100 GMT 30 Jul 86

[Text] The government has decreed that the Gloria Company will be intervened for 180 days as of the date of this decree. The Gloria Company will be intervened by a commission that will be made up of representatives from three ministries and the Financial Development Corporation. This commission will be made up of representatives from the Agriculture; Economy and Finance; Industry, Commerce, Tourism and Integration Ministries. This commission will implement the necessary measures to safeguard the normal collection of fresh milk, guarantee prices for fresh milk producers in the southern basin, and control the volume of production in order to ensure a normal supply of evaporated milk to the local market.

TUPAMAROS' COMMUNIQUE HINTS AT VIOLENCE

PY021353 Paris AFP in Spanish 0022 GMT 2 Aug 86

[Text] Montevideo, 1 Aug (AFPO -- The unexpected reappearance on the political arena of the National Liberation Movement-Tupamaros (MLN-T) has caused a great stir in local political circles, who uneasily noted recent comments by the former guerrillas. On 29 July the MLN-T Executive Board issued a communique, warning that if the government and the people are the hostages of the Armed Forces then everything changes and a new position will have to be adopted based on this situation.

The political parties this week held final discussions on negotiations seeking a solution for the trial of alleged human rights violators under the military regime, forseeing a possible refusal by the military to testify before the civil courts. The comments contained in the communique were viewed by governmental circles as a threat that the Tupamaros, if they deem it necessary, are willing again to resort to armed struggle in Uruguay.

Sources from the ruling Colorado (Liberal) Party have stated that the comments by the former guerrillas are serious and impertinent, stating that the former guerrillas seem to be seeking new confrontations, which no one wants. The Colorado morning newspaper EL DIA, whose associate publisher is Vice President Enrique Tarigo, today editorialized on this issue, stating that the threats and excuses of those who brought pain and mourning to the Uruguayan democracy and coexistence are out of place. Tarigo stated that those of us who never believed in the recovery and repentance of the Tupamaros in their general behavior cannot be surprised at reading their current threats, which are more or less similar to their past threats.

The newspaper denied that the government is being blackmailed by the military men and warned that the vast majority of Uruguayans are not willing to again walk the path of confrontation, destablization, and utter violence which is being hinted at.

Reports broadcast today by Montevideo radio stations have stated that the U.S. Department of State has charged the Tupamaros with preparing to return to guerrilla methods and seeking to extend political violence throughout Latin America. In this regard, MLN-T leader Luis Rosadilla has said that the United States has no moral authority to level charges against any organization in the world of cooperating with terrorism, because terrorism originates in the United States. The United States would have to take a look at its conscience and say why it is giving $100 million to the Nicaraguan contras to execute Nicaraguan people, Rosadilla stated.

Jose Mujica, one of the top historical MLN-T leaders, has stated that the MLN-T will contribute to upholding the country's political freedom. Mujica said that the reactionaries and fascists are waiting for any guerrilla action to serve them as an excuse to again block things and repress people, but they will be disappointed.

PRC AMBASSADOR ON POSITIVE TRADE BALANCE

FL011840 Mexico City NOTIMEX in Spanish 1736 GMT 1 Aug 86

[Text] Mexico City, 1 Aug (NOTIMEX) -- Chinese Ambassador to Mexico Li Chao has said Mexico achieved a positive trade balance of $70 million last year with the PRC.

During the ceremony commemorating the 49th anniversary of the founding of the Chinese People's [Liberation] Army, Li Chao said that the two countries are currently analyzing the possibility of increasing bilateral trade. As of last year the total trade volume of the two countries has recovered, and a total of $100 million was registered. However, he indicated that Chinese exports barely reached $30 million.

The official also indicated that the PRC categorically supports all the peace initiatives of the Mexican Government. China is a peaceful country, he said, and, like the rest of the people of the world it needs peace for its maximum development.

In reference to the upcoming meeting in Ixtapa, Guerrero, the Chinese ambassador said that the meeting of the Group of Six is an effort that should be praised by everyone, and because of this China expresses its good wishes for the success of the meeting.

SOVIET CHARGE D'AFFAIRES ON GROUP OF 6 MEETING

FL021541 Mexico City NOTIMEX In Spanish 0338 GMT 2 Aug 86

[Text] Mexico City, 1 Aug (NOTIMEX) -- Victor Krapov, charge d'affaires of the Soviet embassy in Mexico, has said the Group of Six is serious, independent, and supports Soviet disarmament proposals. The Soviet Union, he said, has never considered the Group of Six -- Argentina, Mexico, Tanzania, India, Greece, and Sweden -- to be a game or a dream. Krapov said the Soviet Union will support the concrete and realistic proposals that will result from the meeting which will be held in Ixtapa. The group can play a positive and influential role for the Soviet Union, he stressed, but it will never place pressure on his country. The Soviet Union does not need pressure since it has a clear and honest policy on nuclear weapons which corresponds with the interest of the peoples.

Gorbachev will praise the efforts of the Group of Six leaders since they support the initiatives proposed by the Soviet Union to prohibit nuclear testing and weapons from space, he added. Krapov stressed that thepolicy of the Soviet party is intended to destroy nuclear weapons because these weapons are terrible and threaten humanity with holocaust.

He stressed that even though its policy is based on disarmament, the Soviet Union has achieved a thermonuclear balance with the United States and will not allow that nation to destroy it. Krapov said his country expects the meeting in Ixtapa to determine the future of the Soviet Union and the United States.

LEGISLATOR ON MEETINGS WITH U.S. OFFICIALS

PA021356 Panama City LA PRENSA in Spanish 30 Jul 86 p 18a

[Article by Legislator Guillermo A. Cochez, Jr.: "Democracy vs. Peace and Security"]

[Text] As we sat in a large room on the sixth floor of the huge U.S. State Department building where we would meet with Elliott Abrams, I would have never imagined how clear his position regarding the Panamanian military leaders would be. If I was surprised, just imagine the reaction of my colleagues, -- the progovernment legislators -- when we heard the assistant secretary of state for inter-American affairs say that the role played by the military in Panama goes beyond the powers they should have in a democracy, and that this is why the Panamanian democracy has become stagnant.

After his categorical introduction, Abrams went on speaking frankly about our type of government in Panama. According to Abrams, the democratic development of any Latin American country will depend to a large extent on a less active role by the military in public affairs. Abrams' position was totally opposite to the one we had heard from Nestor D. Sanchez, deputy assistant secretary of defense for inter-American affairs, a U.S. citizen of Mexican ancestry who has been in that important position for the past 6 years. The first thing Sanchez told us was that one of Latin America's main problems in its relations with the United States is that it does not have enough "lobbying" [preceding word in English] in Washington to "sell itself" adequately to the U.S. circles of power. What I understood from this is that even if everything that is said is a lie -- as it happens today -- we must sell our best image to the U.S. public, so that they will "give us" everything we need.

Abrams considered Panama's democratization the main priority, while for Sanchez the priority was the Panama Canal's security, for which it is necessary to maintain the most cordial relations with the current chiefs of the Panamanian Defense Forces. He then stressed his close friendship with General Noriega. Sanchez' only concern was preventing any sabotage actions against the Canal which, he said, have never occurred. With the excellent cooperation provided by the Panamanian military chiefs, he hoped that there will be no sabotage actions against the Canal in the future. I do not now why, but it sounded like blackmail to me: If you do not do anything against us, we will not touch the Canal. Then, in replying to one of my many questions, Sanchez said that anything else, including when a military chief decides to get involved in politics, as in the case of Torrijos, Paredes, and Noriega, it was our problem. As I told him, the United States promotes the participation of the commanders in politics by mistaking its relations with the armed institution with the circumstantial relations it maintains with whomever happens to be the military chief at the time. However, from there on the problem is ours, because according to Sanchez, they respect us and do not meddle in our domestic affairs.

The experience at the two meetings was extremely positive. The positions expressed by the progovernment legislators were as opposite and contradictory as those expressed by Legislator Jorge Ruben Rosas and myself, clearly showing the profound fissures that exist within the Panamanian family. The viewpoints expressed by the ranking U.S. Government officials also unveiled the conceptual differences that exist between the U.S. State and Defense Departments in analyzing our problems.

It was then that I understood that part of the legislative resolution in which Roberto Eisenmann [LA PRENSA director] was condemned as a traitor and the reports published in THE NEW YORK TIMES about Gen Noriega were described as "a string of lies," and in which the publications were attributed to the differences that exist between the various U.S. Government agencies. It was evident that while Abrams talked about democracy, stating that the power should be held by elected civilians and that military intervention in politics is harmful, his words did not find an echo in Sanchez. For Sanchez, the only thing important in the relations between our two countries was peace, security, and the professionalism of the Panamanian military men, for which it is necessary to maintain excellent relations with the heads of the institution. I now wonder if the slogan "Year of Peace, Security Without War" was created by the public relations office of the famous U.S. Department of Defense as part of their contribution to improve the image of the Panamanian military chiefs.

However, the idea that there will never be peace and security without democracies was not only expressed by Elliott Abrams. During our stay in Lincoln, Nebraska, a 15-minute courtesy visit to state Governor Robert Kerry ended in a heated 3-hour debate about the Panamanian democracy. In concluding, the young Democratic politician said that although the role played by the military is considered very important in his country, it was decided from the beginning that they would not participate in politics.

In this sense, the 21-day U.S. tour has been a good lesson. Although there were moments of great tension when the debates got heated, it was also an opportunity for those of us representing the opposition to be better understood regarding the noble intentions behind our intense and permanent struggle for democracy. It became clear that what we want, in addition to the necessary change of individuals, is something that is more profound. We seek a change in the system, in order to establish a real democracy, which is an indispensable condition to live in peace and in a country that is responsible for its actions and its destiny, without so much U.S. intervention.

ABADIA DISCUSSES CONTADORA REACTIVATION

PA010347 Panama City ACAN in Spanish 0130 GMT 1 Aug 86

[Text] Panama City, 31 Jul (ACAN-EFE) -- Foreign Minister Jorge Abadia Arias said that today Guatemalan President Vinicio Cerezo has asked the Contadora Group to renew its regional peace negotiations.

In statements made to ACAN-EFE, Abadia noted that the Contadora Group has delivered its final version of the peace and cooperation treaty, and that the countries in the region must now voice their stand on this document in order to resume negotiations. "They (the Central American presidents) have to take some initiative concerning this document in order for Contadora to deem it wise, advisable, and reasonable to call for a new meeting," Abadia said. Guatemalan President Vinicio Cerezo said last night that his country will call for a new meeting of the Contadora Group -- composed of Mexico, Venezuela, Colombia, and Panama -- to hold a new "summit," even though "an atmosphere of pessimism prevails."

Abadia said that Contadora "cannot impose the solutions of them (the Central Americans). The solutions must come from them, and if they say this is not the final version of the treaty, then they should say what it should be and we will help them" in the dialogue.

He explained that the Contadora Group has received recommendations from the Salvadoran and Costa Rican Governments concerning the document delivered on 6 June to the countries in the region. "These were very positive recommendations that could lead to a peace mechanism because they tell us Contadora is the only alternative and they ask us not to abandon the negotiations table and to continue supporting the peace process." Abadia added.

However, the Panamanian foreign minister said: "It is necessary that they take up the historical commitment of deciding for themselves what they want, and then we will support that line with our efforts."

ABADIA ON CANAL TOLLS, POSSIBLE DETERIORATION

PA010250 Panama City Televisora Nacional in Spanish 0000 GMT 1 Aug 86

[Text] Panama does not agree with the possibility of increasing Canal tolls. We interviewed Foreign Minister Jorge Abadia Arias on this subject:

[Begin recording] Panama will try, as much as possible, to see that the Canal tolls are not increased. However, Panama will be on the lookout for anything that might benefit Canal revenue that will help in preventive maintenance of the Canal which should revert to Panama in the year 2000. We are very much concerned, and we have already notified the respective authorities of this, over the deterioration of some of the Panama Canal properties and the possibility that the Canal might not operate in an efficient manner when it is returned to Panama in the year 2000. We are very much aware of this, and we are very worried about it. We are exerting respectful pressure so that the corresponding authorities can adequately maintain the Panama Canal so that it will not be junk when returned to Panama in the year 2000. [end recording]

COSTA RICA

COMMUNIQUE REJECTS NICARAGUAN CHARGES AT ICJ

PA021608 Panama City MATUTINO in Spanish 2 Aug 86 p 4 A

[Communique issued by the Foreign Ministry; no date given]

[Text] On 28 July Claudia Chamorro the Nicaraguan ambassador in San Jose, delivered to the government of the Republic an undated note in which the Nicaraguan Government announced its decision, full of bad faith, to bring suit against Costa Rica for its alleged complicity in the activities of the U.S. Government against Nicaragua.

Costa Rica categorically rejects, in all its extremes, the groundless Nicaraguan accusation, because it has proclaimed and practices a policy of strict neutrality in the internal conflicts of Nicaragua and in any of the armed conflicts of other states. The preservation of this neutrality demands large resources and dauntless efforts from the government of the Republic, which feels that this neutrality is one of the cornerstones of its foreign policy.

Costa Rica, as a state that abides by the law and respects judicial and national as well as international institutions, will go to the International Court of Justice [ICJ] or any other organization to uphold its right. Costa Rica reserves itself the right to use the mechanisms, organizations, and legal grounds it deems opportune to prove the false nature of the charges that the Nicaraguan Government has so rashly presented.

The Costa Rican Government feels that, in addition to legally confirming to the international community the groundless nature of Nicaragua's accusation, the suit before the court will provide an excellent opportunity to show the aggressiveness with which Nicaragua has treated Costa Rica in the past few years.

NARANJO ANNOUNCES AUSTERITY BUDGET FOR 1987

PA020056 San Jose Radio Reloj in Spanish 0100 GMT 30 Jul 86

[Excerpt] A drastic fiscal plan for 1987 has been announced. New taxes will be levied to compensate for lower tax rates on some activities. An austere budget has been announced. Treasury Minister Fernando Naranjo said that due to diverse tax laws, the rates were lowered for certain activities and the only alternative is to compensate elsewhere. The minister said that taxes cannot be lowered because this would lead to an even higher deficit.

Finance Minister Naranjo has taken some internal measures to lower public expenditures, such as a 15 percent budget [word indistinct], equivalent to 4.5 billion colones. He stressed that several actions were taken to improve tax collection by the Directorate of Direct Taxation and Customs.

He noted that a careful policy on public expenditures will be implemented in the next few days, not only for the central government but also for decentralized institutions. The treasury minister said a number of measures under consideration will be disclosed soon, such as the policy on wages for the public sector, adding that the IMF agreed that the adjustment should be lower due to the fiscal deterioration. He noted that previous legislation has resulted in greater expenditures in wage adjustments, pensions, and transfers.

The Legislative Assembly will be asked to amend some laws. The Treasury Ministry had to absorb the debts of some decentralized institutions, Naranjo said. He remarked that the IMF agrees that a strong adjustment should take place in 1987 because the Legislative Assembly has to amend several laws. [passage omitted]

EL SALVADOR

DUARTE WELCOMES HONDURAN PRESIDENT AZCONA

PA010307 San Salvador Domestic Service in Spanish 0305 GMT 31 Jul 86

[Speech by President Jose Napoleon Duarte at the Presidential Palace in San Salvador -- live]

[Text] Your Excellency, constitutional president of the sister Republic of Honduras, and distinguished Mrs Azcona Hoyo; distinguished retinue accompanying President Azcona Hoyo; Your Excellencies, members of the diplomatic corps accredited in our country; Mr President and members of the National Legislative Assembly; Mr President of the Supreme Court of Justice; members of the state Cabinet; distinguished special guests; Salvadoran people; Honduran people; and people of Central America who listen to me through the Central American television network:

We are very honored on this occasion to receive here, in this home of the Salvadoran people, the distinguished president of the sister Republic of Honduras, Jose Azcona Hoyo, his wife, and his distinguished retinue in a most important visit for the fate of the two brother nations and, undoubtedly, for the future of the entire Central American region.

As president of the Republic of El Salvador and elected by my people, I am very pleased to receive a constitutional president who represents the sovereign will of his people to hold a positive exchange of ideas that will also strengthen our brotherly ties. I must also state that the Salvadoran people, and I am loyally interpreting their will, are more than pleased to receive in this noble land the illustrious ruler of a country with which we have so many ties and common goals. We have a common fate determined by the way in which we remain united, understanding the value of joint action, cooperation, achievement, progress, and change for improving the living conditions of both countries.

Mr President: We are happy to have you here, and I must insist that our people are very pleased to receive you as a brother and hope your visit will be positive for Honduran-Salvadoran relations and for peace and democracy.

Our countries have a common history, the same roots, identical traditions, and similar wishes. Both people have followed similar paths. Both peoples are facing similar challenges. El Salvador and Honduras are currently seeking the consolidation of authentic democratic programs and are confronting all sorts of difficulties that threaten their stability and tranquillity. We are both suffering from a plot against the progress of our citizens. We have both gone through negative conditions in the economic and social areas. We are both victims of the ideological terrorist expansionism of the totalitarians.

We are geographic neighbors; brothers of the same race, religion, culture, and hopes. One of the restrictions hindering our development and the consolidation of pluralist democracy is the weakness of our economies. The most elementary logic tells us that in view of all the characteristics we mentioned earlier and with the tremendous advantage of being neighbors, we should seek a common economic scheme that will result in a beneficial exchange based on justice and mutual respect, a scheme that might and should produce a strengthening of our economies.

Our bilateral economic relations are essential for strengthening our political programs, for the progress of our peoples, and for achieving that common future that will be much easier to attain if we face it together. The Spanish-American countries have continually had border problems. We have had them between our two countries. We now have the greatest willingness to solve them and to seek the juridical means based on respect and honesty to solve the border problem. It is our duty, and we have done so, to maintain a calm, prudent, and constructive attitude. We must plant seeds of peace and harmony among our peoples and we are doing this.

Mr President: Together, we must persuade Hondurans and Salvadorans that regardless of any differences, they are and will continue to be brothers, and it is very important to solve these differences based on the rights that will eliminate forever any shadow of doubt. Our participation at the highest tribunal of international law should serve as an example to other nations, it should serve as a model so that all will understand that when one acts in good faith, abiding by the law and respecting a neighbor, and above all, speaking with the language of peace and harmony, one can always overcome any differences and one can always find satisfactory solutions.

Mr President: I reiterate the willingness of the Salvadoran people of all sectors, as well as my own willingness to make all efforts necessary to find a just, firm, and lasting solution that will guarantee peace, brotherhood, stability, and which will allow us to maintain a positive unit for two brotherly and neighboring countries. This is a good opportunity for us, as presidents of Honduras and El Salvador, and as personal friends throughout our lives, to agree on and plan a dialogue between the various political and social groups of our nations. In this manner, the representatives of both countries will meet on a planned schedule so that the legislative assemblies, Armed Forces, labor unions, workers, businessmen, technicians -- in other words, so that all of us who want to seek together a clear and definite support for a balanced solution to the conflict -- which will allow us to create a suitable atmosphere in all spheres of society in both Honduras and El Salvador -- can go together to the honorable International Court of Justice under conditions of mutual understanding. That court will then promptly issue a ruling tc solve the border conflict and thus open the path for better understanding between our peoples.

I avail myself of this happy opportunity to tell you, Mr President, that we must do everything possible to remain united. For our part, be assured of our best wishes of solidarity and the firm and sincere willingness of the Salvadoran people to intensify Honduran-Salvadoran relations as much as possible by the most noble means.

Even if only briefly, it is very necessary to stress that meeting here tonight are presidents of two countries that fortunately have taken the same path toward real democracy, based on a legitimate expression and not a whimsical interpretation of the people's authentic will. Democracy is a dynamic process, the implementation of which is not easy. It emerges from the people's will and is then expressed through the exercise of fundamental rights. Improvement of the democratic institutions offers to human beings the best possibilities for personal development as well as new opportunities.

We cannot deny, however, that it is not an easy path. There are enemies inside and outside of all democracies constantly conspiring to destroy them. It is important to stress that building a democracy requires a continuous effort, an iron-clad will; it means that one must be constantly exposed to the domestic and international public opinion; that each one of the actions carried out on behalf of the government will be judged in history, and that it is necessary to adjust to the norms that limit and define power in a democracy.

This is what makes the pluralist democratic system great: To realize that our mandate is limited in power, and for a definite period; to realize that peoples have a right to change, to express themselves, to disagree and to participate in debates; to realize that institutions and individuals have the inalienable right to question the actions carried out by the government and government leaders. It is not easy for those who defend totalitarianism to understand this, nor do they want democracy to bloom, to grow stronger or to consolidate. That is why they are constantly trying to discredit it, that is why they conspire against it in every field, and why they maintain an endless struggle or war which is conducted in countless ways.

True democracy -- which includes economic, social, and political issues, and which affects all our actions in life -- has intrinsic limitations that are hard to overcome. There are cultural gaps that make it difficult in young democracies to understand clearly the essence of democracy. That is our case, Mr President. Feeble or frail economies are also dangerous for democracies, and thus it is important to strengthen them. Therefore, it is urgently necessary to wage the economic struggle together, by strengthening the trade exchange, through cooperation, and by being active and flexible.

Some people believe that it is easy to maintain a fictitious order through artificial means. They contend that it is easy to maintain relative security and tranquillity by force. Those defending this theory imply -- because they do not understand this political and social phenomenon -- that democracy has caused all the social disturbances: strikes, stoppages, and certain excesses in exercising liberty. Here I must insist that the legitimate labor struggle, the free confrontation of ideas, the right to express oneself in any field, the total freedom of preaching and religion, of traffic and association, and so forth are essential democratic principles, and that we must make an effort to make rational and adequate use of these rights. We must differentiate between incorrectly using a right and the right itself. Democracies are not at fault if by making inadequate use of their rights or ignoring their true dimensions, citizens do not take advantage of the opportunities offered which, I repeat, are the best and the most adequate for an individual's full development.

We are not overly worried about the domestic limitations, because we have faith in our democracy and believe that it is strong enough to withstand them.

Mr President: You and I have heard definitions of democracy that are based on force, and on ignoring the citizens' will. It is for that reason that the extraneous limitations are dangerous. They can only be successfully countered when states sharing true democratic aspirations jointly face these extraneous limitations. International terrorism cannot be dealt with successfully by small democracies acting separately.

The injustice in international relations tremendously affects young democracies. There is only one way to shun this injustice and obtain just treatment in our relations. We must act together and struggle in a common front to achieve just and profitable prices for our products, equitable treatment in our financial transactions, and the respect we deserve as a sovereign state.

We previously referred to the limitations that conspire against and place restrictions on real democracies. The terrorists who call themselves revolutionaries aspire to achieve total power through violence, without showing any respect for the minimum ethical rules. The ultraleftists say that they represent the peoples; however, they have never bothered to ask the people to ratify that right. They talk about popular democracy, about the people in arms; however, they exert absolute control over all the essential liberties and profess a single ideological line that excludes any differing.

Mr President: You and I, I repeat, have heard the Nicaraguan president's concept of democracy, of the use of power, of the expression of the people's will, hegemony, and the distribution of power, of neutrality, and of a number of concepts that reflect the unquestionable totalitarian nature of the Nicaraguan Government. The language used by the Nicaraguan president is a totalitarian, warmongering language, which reflects a restless persecution mania and an expansion that seeks to destablize the Central America area without respite, as well as disrespect for international laws and for the good relations among neightbors that the Nicaraguan Government brags so much about. They are an irrefutable evidence of its support and adherence to international terrorism.

Mr President: Our concept of authentic democracy is essentially different and opposed to the Nicaraguan Government's totalitarian concept. You and I and two other democratic presidents are witnesses of that profound difference. They can talk about democracy, but they do not practice it. They accept the elimination of the basic democratic liberties; they disrespect the free determination of peoples and the right of self-determination when they promote, foment, and help the terrorists that operate in countries like ours, bringing sorrow and destruction to the Salvadoran people.

They persecute political parties, the church, social forces, and all those who do not accept their totalitarian authoritarianism. This Sandinist government concept is not democracy. This concept is light years away from our own point of view, and it works against the stability of our countries.

Likewise, they speak of a historical determinism, which is nothing but sophistry. Human beings have a natural need for freedom, and we do not think that to overcome underdevelopment it is necessary to subdue our peoples, or any people. On the contrary, there is a historical evidence that the kind of totalitarism that tries to function under the cover of a pseudo-peoples' democracy turns into something totally inefficient, economically and administratively speaking. Politically and culturally speaking, it becomes an abominable slavery. Ideologically speaking, it turns into a concept that eliminates all possibilities for dissent. No system exalts police control, warmongering, and extreme militarism more than the Marxist-Leninist system. No system betrays human nature more than the terrorists' totalitarian plan.

Mr President, we cannot pretend not to know that there are sectors and people who thoughtlessly or irrationally become enemies of any form of change. In their blindness, some of them also resort to criminal and terrorist actions to maintain their privileges and to show that democracy is weak. Those people are unable to see that their attitude is an unconscious ally of ultraleftist terrorist plots, and their policy of hanging on to the past opens a door for pseudorevolutionaries to get involved in the criminal plan of a prolonged peoples war. In reality, that war continues to be a pretext to lead deceived and frustrated youths to take up weapons.

I am not talking about those who, with a conservative way of thinking, accept and follow the rules and the plan of democracy. They, as well as others who have leftist tendencies, also have their place in a democratic, pluralist society, as long as they respect the rules of the game -- as is their duty -- which are equal for everybody. That is democracy.

Mr President, this visit is the best example of a sincere dialogue to fervently seek stable peace among our peoples. I must say that in this same spirit of conviction and sincere dialogue, I have worked hard for a permanent solution permitting internal peace in our country, El Salvador.

Our country continues to suffer the attacks produced by irrational hatred, and the violence unleashed by those who still do not, or cannot interpret the peaceful feelings of our people.

Mr President, I believe in and insist upon dialogue, because that will respond to the ethical and humanistic principles when we have defended all our lives; and also because that is the mandate the Salvadoran people have given us. Many times and in various ways the Salvadoran people have expressed their desire for a worthy, consistent peace, framed by the Constitution and in accordance with the specific characteristic and spirit of our tradition of freedom.

In this regard, a new effort for a dialogue with the people in arms is about to take place. That effort, which is at our initiative and has the support of the international community, will continue so as to achieve peace in El Salvador, and thus contribute to the pacification of the entire region.

Mr President, we view the entire spectrum of cooperation between El Salvador and Honduras as an ongoing project that must cover all levels of human activity, from facilities that must cover all levels of human activity, from facilities for the countries [corrects himself] for the peoples of our countries to communicate as much as possible, to the complex outlines of the increasing commerical exchanges, the formation of general programs in the energy, health, transportation, and security sectors, as well as in the delicate area of diplomatic coordination.

Mr President, the work ahead of us is immense, and the times augur well for it. The climate of friendship, the atmosphere of solidarity, and the scope of pragmatism in which our relations function today, acquire with your visit, Mr President, a dimension that we acknowledge and praise.

We fully share your ideas on systematic cooperation, in accordance with the challenges of our times. Faced with the acceleration of the history of our times, our countries, which are small, but filled with creative vitality, will recover all their human and productive potential.

If we use all of our national determination and capacity, together we should and can overcome the situation [regazo] imposed on us by the vissicitudes of history.

We should continue forward, regardless of the obstacles we have to overcome. In view of the recent experiences, it is clear that we can overcome any obstacle if we are supported by that real and spontaneous unity, which the subregional crisis itself makes us understand in its full magnitude.

The new, united nation of the future has its foundation in the spirit that we share today, in the renewed brotherhood which encourages us, and in the conviction that the institutions, which we defend day by day, are increasingly perfect and invulnerable.

The Central American tragedy gave us a more mature and broad perspective of reality. The satisfactory outcome of that tragedy will undoubtedly give us a more humane perception of the fate we have to share. We are heading toward that humanism, and democracy is the vehicle that will take us to it.

Mr President, your visit is the best occasion to establish guidelines, outline mechanism, and order priorities in this new relationship that we are strengthening through our personal contact today. This relationship is very useful and necessary at this time to resolve all conflict.

As president, and also as a man of unyielding democratic ideals and convictions, I express the profound gratitude of the people and the Government of El Salvador for your visit, the fruits of which will be seen shortly. We receive you in friendship and, with a brotherly embrace. We want you and your retinue to feel you are surrounded by the warm, fraternal feelings of all Salvadorans. Today is a day of celebration for El Salvador, and it will be recorded in the history of our two nations.

Thus, let us enjoy this mutual friendship and hope for the peaceful and progressive prosperity of our peoples.

A short time ago, as a Grand Master [gran maestro] of the Order of Jose Matias Delgado, and on behalf of the country, I had the honor of presenting you with that order, in the class of Grand Cross, Gold Plaque. I did so with pleasure and the certainty that you honor, and will continue to honor our highest award, and that you will always wear it with your characteristic dignity.

Mr President, the representatives of all the sectors of our country, without religious, political, or social distinction, have come here today to honor you. I ask them, on behalf of our homeland, to join me in a toast to the honor of one who honors us. Mr President, on behalf of the people of El Salvador, a toast to your homeland, Honduras; to you, your distinguished wife, and your retinue. May God give us strength and allow us to walk together along the path of peace. [applause]

Azcona Speaks

PA010215 San Salvador Domestic Service in Spanish 0351 GMT 31 Jul 86

[Speech by Honduran President Jose Azcona Hoyo at the Presidential House in San Salvador -- live]

[Text] Mr President of El Salvador, Jose Napoleon Duarte, First Lady of El Salvador Ines de Duarte:

We were not planning on speaking at this time, but we fully identified with the Salvadoran president's speech. We fully identify democratically because we have found that we share the principles of pure republicanism with President Duarte, and because we have both implemented democracy in our system of government. We met him in an international youth club 34 years ago, and we feel he has kept his heart pure, despite all the difficulties. Therefore he deserves the high honor of being president of El Salvador. I want to congratulate him tonight from the bottom of my heart, because he is the same Napoleon Duarte we met many years ago. He is without a doubt a man of ideals, actions, and enthusiasm. In Honduras we also want to walk the path of democracy. We feel that if democratic principles are respected, our peoples will make progress, and thr roads for collective welfare will be paved.

Democracy belongs to us all. Democracy cannot be used to close down newspapers or to expel priests. It also must not be used to block the road to progress for workers and peasants when they demand a better distribution of wealth and of the country's riches. That is why we democrats must walk the center line. We must work hard day and night, and we must respect democratic principles. By respecting the doctrines of political parties, no matter what they be, we will be increasing the possibilities for peace for our peoples and decreasing the possibilities of them being exploited.

As president of the Honduran people, I want to say that we are exerting ourselves to achieve that objective.

We are being internationally criticized for not siding with the Nicaraguan Government. We cannot do that, because what we preached for 20 years as politicians in our countries -- that we had to respect freedom of speech, freedom of the press, and freedom to form associations -- cannot be forgotten by us now. We cannot side with a government that did not fulfill the promise it made to the OAS.

We have said many times that we will not invade Nicaragua and that we will never allow our land to be used to invade Nicaragua. However, we will not be the gendarme of that government so they can continue to oppress the Nicaraguan people. It is not our fault that there are counterrevolutionaries and refugees in our land. We feel it is the fault of the Nicaraguan Government, which was not able to interpret the support they received from the American continent, which thought Nicaragua would form a government that would respect the liberties of its citizens.

Again I congratulate the Salvadoran president, and I feel that the Salvadoran people will come out ahead because they have been able to interpret democracy. Those who are more affluent must prevent those on the bottom from falling prey to violence and to international totalitarianism as it has occurred in parts of El Salvador. I congratulate the president of El Salvador and all Salvadorans because they have been able to find the road to democracy, social justice, and popular vindications by respecting the interest of all sectors. That is what democracy is all about. Democracy is respecting private property, but at the same time it is fighting for a common goal without undermining the interests of any group. That is what we are doing. I am completely sure that El Salvador will succeed over violence and that I will continue to walk the path of democracy. In Honduras we will protect the people from that whirlpool of violence because we will be just with all sectors of our society. Thank you very much. [applause]

VICE PRESIDENT VIEWS HONDURAN RELATIONS

PA301353 San Salvador Canal Doce Television in Spanish 1900 GMT 28 Jul 86

[Text] The foreign ministers of Central America, with the exception of Nicaragua, who recently met in our country, intend to draft a peace document which will be presented to the Contadora Group. This was stated today by Dr Rodolfo Antonio Castillo Claramount, who also referred to the upcoming meeting between President Duarte and his Honduran counterpart, [Jose] Azcona Hoyo. The following is a report by Roxana Lemus:

[Begin recording] [Lemus] Vice President and Foreign Minister Rodolfo Antonio Castillo Claramount revealed some of the topics that will be discussed by President Duarte on 30 and 31 July, when Honduran President Jose Azcona Hoyo visits our country. The topics include the reactiviation of our trade, and analysis of Central America's foreign debt, and Salvadoran refugees in Honduras; he emphasized that Honduras must solve that problem but that El Salvador might help.

[Castillo] We have achieved progress in this sector, and you are aware of this. A tripartite commission has been formed that is comprised of the Honduran and Salvadoran Governments, as well as the UNHCR [UN High Commissioner for Refugees]; also participating are other organizations -- for example, the SIN [not further identified]. We are already working on a repatriation plan that will undoubtedly respect the people's desire -- this is a condition demanded by the United Nations. El Salvador has outlined and begun to prepare the logistical and internal aspects of the matter to receive the refugees and subsequently relocate them in our country. We could say that this is simply a practical problem concerning their transfer and things of that nature. This, obviously, does not have to be done according to a timetable or with specific groups; these people must be treated as human beings, there is no question about that.

Anyway, Honduras has to solve this problem, and we must contribute to solving it because Honduras should not bear the burden of a human problem that represents a political, economic, and social complication for its own internal situation.

[Lemus] In addition, Castillo Claramount said that Central America needs an authentic pluralist democracy and freedom of the press that permits internal dialogue, thus guaranteeing a process in which governments are appointed through free elections. Referring to this topic, he said that the Central American countries -- except Nicaragua -- are working on a proposal. We are working on a historical document, because there has never been evidence of an expression of this nature, for a dialogue among the five Central American countries; as soon as we have prepared the plan for an organized dialogue we will invite Nicaragua to help prepare a peace document, the vice president stated.

[Castillo] The democratic Central American countries have been organizing and analyzing the preparation of a document that defines the concepts of what, in our opinion, Central America needs. We believe that Central America needs an authentic and pluralist democracy; a realistic internal policy which advocates and defends human rights, and -- above all -- the document will state what we want for Central America in the future. Such a document has never existed before in the Central American area. Consequently, we are not adopting a position that leaves anyone out.

Furthermore, we believe that a dialogue should be held by the five Central American countries. However, this dialogue should be based on some kind of agenda so that it proves fruitful. It should be an organized dialogue; we cannot just sit at a table and see what comes out of that meeting.

[Lemus] He also questioned how anyone can demand that El Salvador not be dependent if countries with the potential of Mexico and Venezuela are clearly dependent. Furthermore, if Europe is not entirely free of this scheme, why is Nicaragua praised when it depends to a significant degree of the Soviet Union? At any rate, our situation with the United States is entirely different. He also said that Deputy Communications Minister Roberto Viera's proposal to hold a public debate in Nicaragua was only an unofficial statement, an example, an alternative, and that the government does not have to reconsider anything. [end recording]

RIVERA Y DAMAS CONCLUDES 3-DAY VISIT TO MORAZAN

PA030319 (Clandestine) Radio Venceremos in Spanish to El Salvador 0022 GMT 3 Aug 86

[Text] Radio Venceremos now brings you a report on Msgr Arturo Rivera y Damas' 3-day visit to the northern area of Morazan Department. On Saturday afternoon Msgr Rivera y Damas concluded his visit to northern Morazan Department in his capacity as mediator in the process of dialogue and talks between the FMLN-FDR and Napoleon Duarte.

Msgr Rivera y Damas remained in this northern area of Morazan Department for 3 days and carried out many activities that included meetings with the residents of various municipalities in the department. Likewise, he was taken in a vehicle to briefly visit San Fernando, where he met with area residents.

Friday morning Msgr Rivera y Damas returned to Perquin where he was received by approximately 400 students of the local school. Later he met with residents of Morazan Department, from whom he received various petitions and testimonies on the situation of the civilians in this area. Later, Msgr Rivera y Damas met with Colonel Omar Napoleon Avalos, who is a prisoner of the FMLN.

On Saturday morning a mass was held in the Perquin public square that was attended by hundreds of residents of the area. The mass was officiated by Msgr Rivera y Damas, by [words indistinct] of San Francisco Gotera, and Father Miguel Ventura, who is conducting religious activities in this eastern part of the country. Later, Msgr Rivera y Damas met with Commanders Roberto Roca and Joaquin Villalobos, members of the FMLN General Command, and discussed the third round of dialogue and negotiations, for which Msgr Rivera y Damas is the mediator.

For 3 days Msgr Rivera y Damas remained in Morazan Department. His activities were all held in a normal manner. In our previous broadcasts, we reported that on Thursday and at noon on Saturday, the Army broke its promise of observing full guarantees so that Msgr Rivera y Damas could conduct his official mission in Morazan. Troops from Military Detachment No 4, commanded by Colonel Vargas, conducted some raids in the area of Meanguera, north of the Torola River. The Army raid in this area included artillery fire. Radio Venceremos reported this action at 1230 today and requested International Red Cross officials and the diplomatic corps urge the Army High Command and the Napoleon Duarte government to pull those troops out of there and stop the artillery fire so Msgr Rivera y Damas could leave [words indistinct] as Msgr Rivera y Damas would have to cross there.

As an interesting footnote to Msgr Rivera y Damas' visit, we would like to report that following this morning's mass at the Perquin plaza, Msgr Rivera y Damas visited a home in town where a woman who went to greet him had just given birth to a baby, who was baptized by Msgr Rivera y Damas. He also baptized many persons at the Perquin church.

On Saturday afternoon Msgr Rivera y Damas boarded his vehicle and left Perquin for San Francisco Gotera, and later for San Salvador. In this manner, he concluded his 3-day visit to the northern area of Morazan Department and his official mission as mediator in the possible third round of (?talks).

This has been a preliminary report by Radio Venceremos for our people on this visit by Msgr Rivera y Damas. We will give more details about this visit in our forthcoming broadcasts.

Briefs Duarte on FMLN Proposal

PA032009 Paris AFP in Spanish 1757 GMT 3 Aug 86

[Excerpts] San Salvador, 3 Aug (AFP) -- San Salvador Archbishop Arturo Rivera y Damas met with President Napoleon Duarte today to present a counterproposal from the guerrilla about the third national dialogue. This counterproposal has not been disclosed to the public yet.

Rivera y Damas made a 3-day trip to Perquin and San Fernando, towns in northern Morazan Department, to meet with top FMLN leaders. Upon his return to the capital, the archbishop met with Duarte to inform him of the result of his negotiations, which included long talks with Commanders Joaquin Villalobos and Roberto Roca and a visit to Colonel Omar Avalos, who was kidnapped by the guerrillas in October 1985 [passage omitted]

In principle, on 6 August, Rivera should announce the date and place for the third dialogue between the government and the Salvadoran guerrillas, which theoretically should be held this month, but it is not known if the rebels' counterproposal falls within this schedule. [passage omitted]

Col Vargas on Visit

PA021424 San Salvador Radio Cadena YSU in Spanish 1800 GMT 1 Aug 86

[By Carlos Mario Marquez]

[Text] Colonel Mauricio Ernesto Vargas, commander of Military Detachment No 4, headquartered in San Francisco Gotera, today reported that the archbishop of San Salvador is in the northern area of Morazan Department.

[Begin recording] [Vargas] I learned that Msgr Rivera y Damas had arrived in the capital of this district. I have no further information on this. I was told that it was a pastoral visit to the capital of this department. I have not been in contact with the archbishop. I was only told that he was here.

In the past 48 hours we have continued with the "Heroes of Joateca" operation. This is a permanent operation and the largest operation under way in the department. It is a protection operation. Yesterday, between 0630 and 0700, a clash with terrorists was reported north of Chilanga, south of Delicias de Yoloaiquin. As a result of the clash, three people were killed and three rifles were recovered.

This morning, between 0100 and 0200, another clash was reported in San Felipe and El Tablon, Sociedad jurisdiction. We have no details on this clash, but we did suffer the loss of three men. We are waiting for a report on this clash.

[Reporter] Do you have reports on casualties among the leftist forces?

[Vargas] The terrorists have suffered four casualties. These casualties were inflicted yesterday. We have no information regarding last night's clash.

[Reporter] Colonel, we have heard that Msgr Rivera y Damas will probably visit Colonel Avalos north of Perquin. Have you suspended military operations in that area because of the archbishop's visit?

[Vargas] The military operations are still going on. We do not have information about this visit to Perquin, but if it should become necessary to halt the operation so as to not endanger the talks, then we are willing to do it. We do not wish to hinder the talks between the two parties regarding Col Avalos.

[Reporter] Colonel, the guerrillas reported yesterday that after Msgr Rivera y Damas crossed the Torola River, your units clashed with a rebel column. Is this true?

[Vargas] As you know, the leftist versions are based on Marxist dialectics and disinformation. From the moment that Msgr Rivera y Damas crossed the river, our units have been on a permanent protection operation; to protect private property against the FMLN social destabilizers. At no moment... [changes thought] it is a way of propaganda to create confusion. They should have said that the clash in the areas of Chilanga and Yoloaiquin that resulted in the deaths of three terrorists and the recovery of three rifles occurred because they had been planning an ambush in that area. That was the road that Msgr Rivera y Damas was going to use. This is what they should be saying, because this is the truth. They should not create confusion for the people, international confusion. With their Marxist dialectics and with their propaganda, they are always trying to take advantage of situations that do not exist. [end recording]

Col Maurico Ernesto Vargas added that the counterinsurgency operation continues in the northern areas of Morazan Department. However, an exception will be made in the area where Msgr Rivera y Damas is visiting.

FMLN CLAIMS 124 ARMY CASUALTIES IN PAST 3 MONTHS

PA011926 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Jul 86

[Text] Here we have a report from San Agustin Tres Calles on 3 months of the war of attrition against the criminal troops:

We inflicted 124 casualties on the puppet Army over the past 3 months. This occurred during the second phase of the Army operation in the San Agustin Tres Calles area in Usulutan Department. The FMLN [word indistinct] fighters continue to fight and wear out the demoralized special troops of the Army [words indistinct].

The report notes that we have inflicted 124 casualties on the enemy troops in the San Agustin Tres Calles area over the past 3 months. In July alone we have inflicted 40 casualties on the army [words indistinct] a sergeant and a radio operator. Most of the casualties were inflicted by the people's weapons and the revolutionary mines.

GUATEMALA

CEREZO VIEWS STRIKES, GAM CHARGES, CONTADORA

PA020157 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 31 Jul 86

[Text] During a news conference today at the National Palace, President Vinicio Cerezo told reporters that striking doctors have strayed from the democratic path, because they are striking and not participating in the talks that are called for in this kind of conflict. Cerezo Arevalo invited the doctors to discuss their situation and that of the government to solve the problem. He told reporters that the decision by doctors from national hospitals to stage a general work stoppage beginning next Friday, should they not receive a favorable answer to wage increase demands, is an incorrect position. The doctors' actions will move the government to implement definite and vigorous measures that could lead to hiring other doctors as replacements, Cerezo Arevalo added.

The government today rejected the attitude of national hospital doctors, because it constitutes a kind of blackmail aimed at preventing negotiations in which practical and immediate solutions would abound. The president of the Republic said that although doctors do not belong to a professional field in which great salaries are earned, they do earn good salaries. I will not threaten or punish people because this would create problems and not contribute to the dialogue that the government wants to hold with the doctors.

Naturally however, Vinicio Cerezo said, we would implement measures to benefit the masses that are suffering the effects of the stoppages and that would suffer the feects of a general national hospital strike.

The president of the Republic mentioned the strikes of transporters and doctors at national hospitals as aprt of an effort to destablize the government, however, it is not possible to destablize this government, Vinicio Cerezo said.

He focused his suspicions on the efforts of a political party; namely, the MLN [National Liberation Movement]. The government will try to confirm reports and rumors in this regard.

The government will carry out an in-depth investigation of the charges made by the Mutual Support Group [GAM], in particular by Mrs Nineth de Garcia on alleged abuses of rural families, and the threats, coercion, and other punishable actions that the peasants have been suffering. The government has learned about the most recent charges by Mrs Garcia, whom I respect very much; however, she makes so many accusations each day that they do not seem consistent to the government, President Cerezo said.

Regarding the GAM statements, President Cerezo told reporters that he is surprised that the GAM has said the Guatemalan Army is threatening GAM members and its followers. Cerezo promised to present a detailed report to the GAM on the results of his investigations on the charges. The government's response will be given directly to the representative and leader, Mrs Nineth de Garcia, the president said.

President Vinicio Cerezo said there currently exists an atmosphere of pessimism in the Contadora Group in the area of diplomacy. This is due to several reasons, among them the military aid to the Nicaraguan contras and the arms race that has recently been increased by the Nicaraguan Government, Cerezo added. Moreover, he said, a Central American parliament will be a new resource or initiative to strengthen the Contadora Group in its efforts to achieve the peace and cooperation of the Central American countries.

CEREZO ANNOUNCES WILLINGNESS TO TALK WITH BELIZE

PA011351 Panama City ACAN in Spanish 2200 GMT 31 Jul 86

[By Mario Rolando Sierra]

[Text] Guatemala City, 31 Jul (ACAN-EFE) -- President Vinicio Cerezo announced today that Guatemala will hold a direct dialogue with the prime minister of Belize for the first time since the former British colony gained its independence in 1981. In statements made at the Government Palace, Cerezo confirmed that Belizean Prime Minister Manuel Esquivel will arrive in Guatemala sometime in August at the head of a Belizean delegation.

The Guatemalan president said: "We will begin a dialogue and a discussion to seek solutions to the problem, which has two aspects that are very important for us: realism and honor." He added that during this meeting, they will discuss "realism as far as the situation of the (Belizean) people is concerned now, and honor as far as guaranteeing Guatemala's basic rights."

Belize, a territory measuring 22,000 sq km to the west of Guatemala, and which Guatemala claims, declared its independence from the British crown in 1981, but Guatemala has yet to recognize the new nation. Belize has approximately 150,000 inhabitants. Since 1963, Guatemala and Great Britain have not had diplomatic or consular relations in view of this conflict.

According to a recent broadcast by the official Radio Belize, Esquivel plans to request of Cerezo that Guatemala give up its claim to the former British colony and recognize its independence. However, the Christian Democratic leader said that "the Swiss diplomat representing Great Britian's interests in Guatemala will attend the dialogue with the Belizean mission." Cerezo emphasized that "in this manner there will not be a de facto recognition that is taken into consideration in international law."

The president added that "we will try to establish negotiations by means of the dialogue and discussion that will lead us -- the Belizean community and Guatemala -- to an agreement benefiting the region, which is what interests us." Cerezo emphasized that although the new constitution has abolished an article that terms Belize Guatemalan territory, Guatemala remains firm in its claim. The president also pointed out that his government decided to resume consular relations with the United Kingdom on 15 August.

Great Britain and Guatemala concluded an exchange of "notes," and "consular relations will be established, according to a decision that we adopted by sending a draft communique," the Guatemalan Christian Democratic president said. Guatemala accepted the diplomatic rapprochement requested by Great Britain last 8 May because there is a marked interest in receiving the benefits of the EEC, to which the United Kingdom belongs.

CEREZO REITERATES TRUST IN FOREIGN MINISTER

PA020302 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 1 Aug 86

[Text] President Vinicio Cerezo Arevalo has said that Foreign Minister Mario Quinonez Amezquita is not only one of his main assistants, but is among those who have given the least number of problems. Therefore, he said, I see no reason to remove him from his post. This was President Cerezo's reply to those sectors that have been demanding Quinonez' dismissal, accusing him of lacking the ability to handle the country's international relations. As an example, they cited his handling of the vice presidents' meeting, in which the creation of a Central American parliament was to be discussed; however, the meeting could not be held.

FOREIGN MINISTER ON AREA MEETING, U.S. EMBASSY

PA020426 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 29 Jul 86

[Passages within quotation marks recorded]

[Text] On returning from attending a meeting of Central American foreign ministers in San Salvador, Foreign Minister Mario Quinonez Amezquita said today that Guatemala will not form any bloc to isolate any country of the region.

The San Salvador meeting was held over the weekend behind closed doors and without any access to the press, something that led to reports about the possible organization of a bloc against Nicaragua, whose government was not represented in the talks. Nevertheless, both Salvadoran Foreign Minister Rodolfo Castillo Claramount and Guatemalan Foreign Minister Quinonez Amezquita confirmed that in the ministerial meeting they discussed drafting a joint document on the Central American situation.

[Quinonez Amezquita] "First of all I want to clarify once and for all that Guatemala will not form part of any bloc against any Central American country, whether that country is El Salvador, Nicaragua, Costa Rica, or Honduras. Guatemala will not form part of any bloc that seeks to isolate any country. However, this does not mean that Guatemala wants to be isolated from the rest of the Central American countries with which we have historically been united from the time of our independence and even before that. Now then, the basic reason why we went to talk with the Central American foreign ministers was that Guatemala is seeking a way to again promote discussions within Contadora about the problems still pending in the act and because we know that several Central American countries do not accept the latest text of the Contadora act."

The Guatemalan and Salvadoran presidents will meet in early August or possibly even sooner [as heard], the Guatemalan foreign minister said.

[Quinonez Amezquita] "One of the things I discussed with the Salvadoran foreign minister was that the Salvadoran president has invited the Guatemalan president to visit El Salvador, and the Guatemalan president has accepted the invitation. We will be making the visit and the only thing pending is the date. We might make the visit at end of August or at the beginning of September. We are just waiting to see whether the two presidents can change some previous commitments. If they can, then the Guatemalan president can go to El Salvador either at end of this month or early next month."

The foreign minister said that the U.S. Embassy has a right to carry out measures to protect its installations. Guinonez Amezquita was asked about protests by residents of Zone 10 over the barricades established by personnel of that embassy.

[Quinonez Amezquita] "Well, I am unaware of the details of what you are mentioning. When I have the opportunity I will speak with the U.S. ambassador. We will officially ask that he explain through a note what it was they did. Now then, regarding the security measures that the embassy might adopt, it has a right to do so. Otherwise, this would result in a very serious situation. Due to the Vienna Convention, Guatemala has the obligation to provide security to the embassies and not just to the United States. This is established by the Vienna Convention on diplomatic immunities that Guatemala has signed. Therefore, as long as the measures are adopted to safeguard the interests of each embassy and the neighbors and the public order situation are not affected, all the measures will be welcomed. Now then, I have heard that some neighbors have been complaining. They were complaining on last night's newscast. I will ask for a report to see if this is true. However, if the embassy adopts security measures, it has a right to do so. This also helps Guatemala because Guatemala has the obligation to protect the diplomatic missions."

VICE PRESIDENT LEAVES FOR BARCO INAUGURATION

PA032016 Panama City ACAN in Spanish 2004 GMT 3 Aug 86

[Text] Guatemala City, 3 Aug (ACAN-EFEO -- Guatemalan Vice President Roberto Carpio Nicole left for Bogota today to attend the inauguration of new Colombian President Virgilio Barco Vargas. Carpio Nicole and Foreign Minister Mario Quinonez Amezquita are members of an official Guatemalan Government delegation to Barco Vargas' inauguration, scheduled for tomorrow, Monday. [as received]

The Foreign Ministry reiterated today that President Vinicio Cerezo was unable to attend "because of prior commitments. However, he would have liked to attend because of the good relations existing between the two peoples and governments."

HONDURAS

HELICOPTER REPORTEDLY CARRYING AMERICANS CRASHES

PA222019 Paris AFP in Spanish 1927 GMT 2 Aug 86

[Text] Tegucigalpa, 2 Aug (AFP) -- A helicopter, supposedly of the Nicaraguan contras with two North Americans and four Miskitos aboard, crashed today near Tegucigalpa.

The Blackhawk helicopter, which can carry eight people, fell in a horizontal position on an empty lot near the Toncontin Airport from where the aircraft had taken off seconds earlier on a flight to Mosquitia.

According to the initial reports, a Miskito was gravely injured, but the other crew members were just slightly injured. The wounded were taken to an unidentified Tegucigalpa hospital.

The helicopter, painted with green camouflage paint and white blades, does not have a registration number of the Honduran Air Force, and an investigation agent said that it might belong to the FDN or to the Unity of the Nicaraguan Atlantic Coast Indigenous Peoples (KISAN).

A U.S. Embassy spokesman said that he does not know if the helicopter belongs to the United States, and he added that for the time being he does not have "any information."

On his part, Frank Arana, FDN spokesman in Tegucigalpa, said that his organization does not have helicopters of that type and only has smaller units.

AZCONA COMMENTS ON ECONOMIC CABINET

PA012351 Tegucigalpa Voz de Honduras Network in Spanish 1530 GMT 28 Jul 86

[Telephone interview given by President Jose Azcona to unidentified reporter; place not given -- live]

[Excerpts] [Reporter] Mr President, go ahead. We are listening.

[Azcona] Regarding the devaluation, our policy was defined as soon as we assumed the Presidency of the Republic. As a result of speculation caused by statements by the Congress president, the government issued a categorical statement approximately 10 days ago. In other words, the president does not have to speak on the radio to discuss his policy.

As for the other planning policies, I wish to tell Engineer Flores Facusse [Congress member] that even the COHEP [Honduran Council for Private Enterprise] was consulted on the economic development program. The COHEP and the U.S. Government approved it. We need not consult with the U.S. Government, but this is necessary to fulfill economic aid requirements for our recovery. [passage omitted]

We have serious problems in Honduras. We have an open economy, and problems with the prices of our export products ruin government plans and specific programs. That was the case with coffee. Everyone thought that coffee would solve all of Honduras' problems this year, but instead we faced a rude awakening when the price plummeted from $280 to $160 [unit of measurement not specified] in 1 and 1/2 months. Things like that would immediately change the plans of any government. Our economy is open and frail. That is why planning alone is not enough -- we must also implement daily measures. We need an agile administration, which I think this government is. We are not sluggish. [passage omitted]

Honduras must remain calm. The economic cabinet is handling all aspects of the economy. The president is briefed on a daily basis on the economic situation. After this month we will, for the first time in Honduras, issue a report on the status of the national budget, how much was spent in the past 7 months, how much our revenues were vis-a-vis the budget, the status of fiscal matters, and the balance of payments.

We do have goals and government plans. Of course, they will never satisfy my friend Carlos Flores Facusse [Azcona chuckles] because he did not draft them. Therefore, they would never meet his standards.

I appreciate his respect for me. I also respect him. He is an excellent parliamentarian, an intelligent politician, and a good professional, but that does not give him the right to think that others are not doing things right or that they are incapable. He thrives on criticizing our government's economic cabinet. I believe that the cabinet is made up by capable individuals who can find solutions to Honduran problems.

[Reporter] Mr President, we are really pleased that our station is the means to discuss these problems. The two of you are highly visible persons, especially you, due to your current position. However, the discussion of your differences amid an atmosphere of mutual respect contitutes a great civil lessons for all Hondurans.

Mr President, in the portion of the program during which we receive phone calls, we have noticed great respect and appreciation for you, especially now, early in your term. However, that is not the case with people surrounding you and especially the members of your economic cabinet. From your statements, we get the impression that you claim to have 100-percent support. Expectations of a Cabinet change, especially for those involved in economic matters, seem to be dissipating. Mr President, we would like to hear a confirmation of that. We want to know whether they deserve your full confidence. We want to know if there will be future changes to meet expectations and ease the anxiety regarding economic matters.

Economic cabinet changes in December would serve as the release valve expected by the Honduran people. This would help maintain the support, appreciation, and respect for you and your position. Appropriate changes in the Presidency, Finance, Economy, Health, and Education Ministries, which are the ones receiving the most complaints, would ensure this. This has a bearing on our nation's political and economic life. What can you say about this, Mr President?

[Azcona] Look, people insist on changes. I will tell you one thing: The ministers are working. I do not work alone; I also make others work. They are working, and the team is doing well, there are no problems or clashes. Of course, there are differences, and they are vented in lengthy discussions. I can say that I am not planning to make Cabinet changes in December.

[Reporter] Mr President, the issue is not the respect and the solidarity that you mentioned and that are part of a president's relationship with his Cabinet. At this radio station we have detected a dissatisfaction of the Honduran people with ministers who are not talented and intelligent, which is what is needed to solve Honduran problems.

[Azcona] But why do you say that they lack talent and intelligence?

[Reporter] Well, ah...

[Azcona, interrupting] [Words indistinct] minister who is brilliant and talented. There is no doubt that she is Honduras' most capable woman in the education field. She is working. She has shortcomings; everyone has shortcomings. We will not find ministers without any shortcomings and faults. There is no school where you can learn how to be a minister. They have university degrees, but I do not know of any school offering a master's degree in becoming a minister.

[Reporter] Mr President, what about the deputy education minister who admitted on our program to being a goldbrick?

[Azcona] The deputy education minister had a lapse; a dumb mental lapse, if you will. He is an economist who wanted to be facetious by saying that he seldom goes to his office. However, there have been important Honduran politicians who earned salaries at the Central District's Metropolitan Council without even having an office there. That official does have an officer there and works there. Perhaps what he meant is that he has been too active in politics and has not complied with his 8-hour workday. I would not blame him, but rather his boss for permitting this. I will not allow that in my government. People must work at least 8 hours in my government. There are ministers who work 12-14 hours. When there are meetings they work nonstop for 16-18 hours. You can be completely sure that I will not allow goldbricks in my government, much less in top positions. In sum, too much emphasis has been placed on those issues that are really not as important as some people think.

JUSTICE MINISTER ON NICARAGUAN ICJ SUIT

PA021730 Tegucigalpa EL HERALDO in Spanish 30 Jul 86 p 3

[Text] Government and Justice Minister Raul Elvir Colindres has said that by filing a suit against Honduras at the International Court of Justice [ICJ] in The Hague, Nicaragua is seeking to internationally discredit Honduras. He added that this action "is just propaganda for the current Nicaraguan regime, which is trying to resolve its domestic problems this way."

The Honduran official said that the Sandinist government should summon the dissidents as is customary in these cases to resolve its domestic problems, since by accusing Honduras it is only worsening the situation.

Elvir Colindres said that as long as the Nicaraguan problem continues, we must continue enduring the Nicaraguan's "flight" into our country, since it has been proven that the Catholic Church and the people are being persecuted as can be seen with the closing of the newspaper LA PRENSA.

Regarding the fact that Honduras will have to face two suits in the ICJ, one filed by the El Salvador Government and the other by the Nicaraguan Government, the official remarked that these suits will have to be treated separately because they involve two different problems.

Afterward, he noted that it is highly unlikely that the two suits will be handled at the same time because one must ask for a hearing on each problem.

NICARAGUA

ORTEGA HOLDS NEWS CONFERENCE AFTER U.S. TRIP

PA040257 Managua Domestic Service in Spanish 0141 GMT 4 Aug 86

[News conference given by President Daniel Ortega at the offices of BARRICADA newspaper in Managua on 3 August -- live or recorded]

[Text] [Ortega] We saw how BARRICADA's machinery works; we have seen it in operation. Well, I first wanted to greet the Nicaraguan people upon our return from the United Nations and a brief but thorough tour of some cities in the United States. Our basic goal on this occasion was to bring Nicaragua's message to the UN Security Council and to seek a resolution.

We think that the results, the efforts in support of international legal norms and in favor of respect for the laws attained positive results, and this was proved by the votes cast at the Security Council and the unanimity that prevailed at the United Nations about the clear, serene, and constructive manner in which Nicaragua's statement was presented.

Following our activities at the United Nations, which -- as we said -- were our main goal, we received some invitations, and we had the opportunity to hold a number of meetings right there in New York with church groups; editorial councils from the most important U.S. news media -- newspapers, magazines, and television stations -- and solidarity groups. We also received an invitation from the solidarity group in Denver, and we also had the opportunity to meet with the National Bar Association, which is mainly comprised of black lawyers, because the association was formed at a time when there was discrimination in the United States, and the black lawyers were forced to form their own group.

The meeting in Denver, Colorado, was very important, given that National Guard has departed from there -- under the people's protests -- for Honduras, where they have been participating in all the military plans the United States has been carrying out against Nicaragua. Likewise, a zone exists where the FDN mercenary troops are trained; this is well known and has been reported on many occasions.

While in Denver we met with the Bar Association, and we learned about a resolution issued by the association, supporting the ruling issued by the International Court of Justice and demanding that the U.S. Government abide by that ruling. We had the opportunity to address the lawyers there and, of course, to exchange viewpoints with them. We also had the opportunity to clarify certain things that are viewed differently from abroad because they have been manipulated by the campaigns of news media which want to damage our country's image and create confusion.

We also had the opportunity to hold a very confrontational meeting at the University of Colorado at Denver -- where the premises were filled to overflowing -- because there was a minority group present of U.S. citizens who support the U.S. Administration's policy, while the great majority of those attending the meeting were against the U.S. Administration's policy. FDN members also attended; the Nicaraguans who act as instruments of the aggression. Many of them are former Somozists who fled after the victory of the revolution. They all participated in what could be described as a very lively "Face the People." Different viewpoints were discussed there, of course; some were totally opposed to others. We had the opportunity to defend the just positions of the Nicaraguan revolution.

However, the most interesting of all the meetings I held with the U.S. people was held right there in Denver, precisely because these FDN groups were there, along with U.S. groups that have fundamentalist positions against the Nicaraguan revolution and support the U.S. Administration's policy against Nicaragua. This was a minority group, to be honest -- some 30 to 40 persons, adding together the Americans and the FDN members who attended the event -- and following a strong, clear, very strong exchange with the FDN members -- who mostly issued insults, instead of statements -- I asked all those gathered there which of them oppose the U.S. invasion of Nicaragua.

I explained to them that there has been a tendency toward a direct involvement of U.S. troops in Nicaragua and an (?escalation) of the conflict since the $100 million was approved. Then I asked who of those gathered there oppose this invasion. The majority of those present raised their hands. At my next question -- who favors this invasion? -- I expected the FDN members and the U.S. people who have assumed a violent stance against the revolution to raise their hands.

I made my calculations and estimated that if the majority of those present raised their hands against the invasion, perhaps 30 or 40 would raise their hands in favor of the invasion. But when I asked who agrees with an invasion, a surprising thing occurred: Nobody raised his hand. Everybody looked to see who would raise his hand, but no one did.

I feel this was the most important event of that meeting with the U.S. people, which included various Hispanic community members, FDN members, and those Americans who advocate fundamentalist, black and white solutions. It is interesting to note that an agreement occurred there. Although our stances were even antagonistic, when we mentioned the invasion a convergence occurred. Nobody agreed with an invasion against Nicaragua. The FDN people dared not raise their hands. [Words indistinct] they dared not because this would irritate the U.S. people. According to the latest survey in the United States, a majority of the people oppose the current U.S. Administration's policy toward Central America. I was really impressed by this fact, namely that, despite the great conflicts, we share a common view: We oppose an intervention by U.S. troops in Nicaragua. We all must prevent this.

This was recorded by television stations. [Words indistinct] will be broadcast over the television due to the strong verbal confrontation and the insults voiced by the FDN people. We tried to answer in the context of what the experience of the "Face the People" programs have taught us.

Then we moved on to Chicago. (?Some days prior to that), we had been visited in New York by the Reverend Jesse Jackson, who had invited me to visit Chicago. An important meeting was held there. I share the moral struggle promoted by the Reverend Jackson against apartheid, drugs, injustice, and aggression in Central America. So we moved to Chicago. Ours was a very exceptional meeting there, including songs, music, and the Christian spirit of those gathered there. Solidarity with the Nicaraguan people was again expressed during this meeting. [Words indistinct] this tour with what is known as the Chicago proposal. We mentioned the eight points that have already been reported here. It is now up to the parties involved to respond to this proposal made by Nicaragua. This is a constructive initiative. This is an initiative for peace, as are all the initiatives that Nicaragua has presented during all these years. In other words, we went to the United States with a constructive stance to try to make the United States understand that a negotiated solution is necessary. [1-minute break in reception]

We can say that this trip to the United Nations and the tour through U.S. cities -- such as New York, Denver, Colorado, and Chicago -- has been very positive because we have had the opportunity to have direct contact with the U.S. people. In Denver, the lawyers issued a statement demanding that the U.S. Government abide by the decision of the The Hague International Court of Justice. This was unanimously approved by the lawyers during their meeting.

I noticed a very interesting occurrence for the first time. I have visited New York and the United Nations practically every year. At one time, I toured (?several) U.S. cities. In general, I have observed the U.S. people's sympathy during the events organized by those who identify with us, namely, religious and intellectual people, etc. In the streets, however, I have always observed hostility or indifference. For instance, if we attended a meeting of the editorial staff of a newspaper, the police would stop the pedestrian traffic for security reasons. The people would stay and look on, but they made no comments. This was our past experience. Now, we have experienced an entirely different situation. Wherever we arrived, both the people who identify with us and those who are not ideologically identified with the Nicaraguan revolution openly expressed their sympathy toward Nicaragua. We are really impressed by this.

In New York, wherever we visited, when we walked through the streets, the people greeted us and expressed love for Nicaragua by saying: We are friends of Nicaragua, we want to be friends of Nicaragua. This was the kind of greeting that the U.S. people repeated often.

I cannot tell you how many people greeted us while we were there or how many signs of affection we received, because these were daily occurrences. I can, however, tell you the number of hostile attitudes we encountered. I would say there were approximately four to six people in New York who expressed hostility and voiced insults. They stood in contrast to the feelings of the majority, which expressed affection toward Nicaragua and which was also concerned over the [word indistinct] and risk of becoming directly involved in a war that would lead to the deaths of Americans in Nicaragua. This attitude was repeated in Denver and Chicago, because besides our activities, we walked the streets, and this is where we found the affection of the American people. People in cars would stop to greet us, to [word indistinct] Nicaragua, to identify with Nicaragua. For us it was new to see the ordinary American citizens expressing themselves in favor of Nicaragua, sympathizing with Nicaragua.

It is undeniable that there are very controversial topics in the U.S. press, such as the LA PRENSA case, the Bishop Vega case, which are among the most debated issues. [Passage indistinct] an issue the American people are interested in, and Reverend Jesse Jackson made the following point: We are looking at the situation through a single lens. At this time we are stressing one issue and forgetting about the other issues. We are looking at one issue, through one lens; it is the issue of South Africa. This is correct and fair, but we cannot forget that only a few kilometers from here there are already 100,000 victims; 60,000 in El Salvador and more than 30,000 in Nicaragua. Therefore, we must look at the situation through bifocals. We must look at South Africa, and we must look at Central America.

We feel that Reverend Jackson's call is very important because we must struggle for the South African people's liberation, but we must also avoid a new Vietnam in Central America, which is what the current U.S. Government policy is leading up to.

We took advantage of the occasion to acknowledge the gesture made by the U.S. Government and President Reagan in not imposing any restrictions whatsoever on us. We thanked him for this. [Words indistinct] this program did not exist for Denver or for Chicago. [Passage indistinct] along the way we visited these other cities, and there were no restrictions. While there, we met with the people and discussed various subjects with them. We consider this a positive gesture on the part of the U.S. Government and President Reagan for this. We also invited him to Nicaragua and told him that while here he would also be allowed to meet with all of the sectors he cared to meet with, to talk with the Nicaraguan people, and to find out about Nicaragua's reality.

Some sectors emphasized that we were using the U.S. media with a certain freedom. I explained that the meetings we held were very important, [words indistinct] the liberty to report on them. However, the reports published depended on the journalists. [Words indistinct] if President Reagan accepts our invitation to come to Nicaragua, he would have one advantage over our situation during our visit to the United States, because in Nicaragua he would have a direct broadcast of his talks with the people on television and radio. This would be broadcast much faster than reports come to Nicaragua when I hold meetings in the United States. Nevertheless, during the days that we were there, there was a great deal of coverage of the debates, of the topics discussed at the meetings. The American television networks and radio stations offered good coverage, and we must admit this.

[Reporter] Could you explain to the people what happened at the UN Security Council? The United States [words indistinct] resolution to explain what step would be adopted? Could you explain?

[Ortega] That is a juridical and moral battle. The fact that the United States cast a veto, exposes the government before the international opinion, and before its own people, because it is rejecting an international court. However, the United States has not officially rejected the International Court of Justice [ICJ] decision. This is why we did not make any demands. We supported the court's decision. This will serve as a base if we should again appeal to the Security Council or to the General Assembly, which is the highest UN body to discuss this type of situation.

HELICOPTER CRASH REPORTEDLY INJURES 3 U.S. SOLDIERS

PA021837 Managua Domestic Service in Spanish 1726 GMT 2 Aug 86

[Text] [Reporter] We have established contact with Tegucigalpa, Honduras, to provide information about a helicopter that, according to initial reports, has crashed in the Miraflores neighborhood of Tegucigalpa. We have Antonia Martinez, information chief of the newspaper LA TRIBUNA of Honduras, who will tell us where and when the helicopter crashed and how many casualties it caused. Go ahead, Companera Antonia Martinez in Tegucigalpa:

[Begin relay] [Martinez] It was about 0800 when the helicopter had the accident [words indistinct] the rains.

[Reporter] Does the helicopter belong to the Honduran Army or to another organization, or does it belong to another government?

[Martinez] It is of the United States, of (?Big Pine) [words indistinct].

[Reporter] Did it fall on some house?

[Martinez] It fell on a field [words indistinct].

[Reporter] How many soldiers were injured?

[Martinez] Three.

[Reporter] Are they Hondurans? What nationality were the soldiers in the helicopter?

[Martinez] They were foreigners.

[Reporter] Were they Latin American? Brown, white, maybe you know something about that?

[Martinez] They were [words indistinct].

[Reporter] At what time was it? Repeat the hour.

[Martinez] At (?0800).

[Reporter] At 0800. Well, companera, what type of injuries were there, and what is the condition of the helicopter?

[Martinez] The helicopter supposedly suffered a mechanical malfunction. One of the passengers had the right arm injured. Another suffered fractures in the left leg and the back. The other [words indistinct].

[Reporter] In what mission of the "Big Pine" maneuvers were these U.S. soldiers who were aboard this helicopter, which is not Honduran?

[Martinez] It is said that the helicopter was coming from San Pedro to Tegucigalpa.

[Reporter] Were they carrying some type of weapons? What were they carrying?

[Martinez] (?It was a) routine operation.

[Reporter] Is the helicopter big or small?

[Martinez] It is small.

[Reporter] In what hospital are those North Americans?

[Martinez] They were taken to the Escuela Hospital.

[Reporter] Do you have the names of the North Americans involved in the accident?

[Martinez] No, we do not.

[Reporter] Well, can we get in touch with you again? What does the government say? Is there any official communique?

[Martinez] No, not yet.

[Reporter] Haven't they announced any official communique?

[Martinez] Net yet. [end relay]

[Reporter] This has been a quick and brief report by Voz de Nicaragua in a direct contact with Tegucigalpa regarding a U.S. Air Force helicopter that crashed near or in Miraflores neighborhood in Tegucigalpa, Honduras. We will continue to give further details about this aircraft accident in the Honduran capital, about the U.S. Air Force helicopter accident that injured three people who were hospitalized in the Escuela Hospital in Tegucigalpa.

TORRES: MARINES TO 'HANG' IF U.S. INVADES

PA012310 Managua Radio Sandino in Spanish 0000 GMT 31 Jul 86

[Text] There will not be enough trees in Nicaragua from which to hang any Marines [preceding word in English] who dare to invade us, Brigade Commander Hugo Torres, chief of the EPS Political Directorate, said today in Apanas, Region 6, where he presided over a ceremony to demobilize youths of the Julio Buitrago unit.

In addressing the recently demobilized troops, who served in various Battalions for Unconventional Warfare, BLI's, Commander Torres discussed the crushing defeat that the counterrevolution is sustaining on all fronts.

[Begin Torres recording] The Yankees still do not understand why we are so proud. The Yankees still do not understand why we are willing to sell our lives at a very high price when it comes to defending our country and revolution. The Yankees will come if, defying the International Court of Justice's ruling, the UN Securiy Council, nonaligned countries in Latin America and Europe, and the sensible peoples and governments of the world, they decide to launch their invasion. They will still not understand when their Marines begin to fall; or perhaps they will understand after it is too late and after having to pay a high price politically, morally, and in terms of human lives.

There will not be enough trees or lampposts in Nicaragua from which to hang the Marines if they dare enter our country. [end recording]

CUADRA SAYS CONTRAS 'STRATEGICALLY DEFEATED'

PA030430 Managua Radio Sandino in Spanish 1930 GMT 2 Aug 86

[Text] Deputy Defense Minister Joaquin Cuadra Lacayo has said that the counterrevolution is strategically and irreversibly defeated due to the strengthening of the people's revolution and the EPS actions. He added that not only has the enemy been unable to develop offensive plans in the countryside, but it has also been unable to recover from the blows it has received or to stop its disadvantageous withdrawl to more inhospitable regions.

The chief of the EPS High Command appeared on television and said that during the first 6 months of this year 2,745 counterrevolutionaries were killed in fighting, and 300 were captured. Cuadra Lacayo said that since they have lost to a great extent their social base because of these casualties, they were only able to replace 251 men, many of them recruited by force after violent kidnappings. Commander Cuadra Lacayo commented that in view of this circumstance, the U.S. Congress decision to grant another $110 million to the contras means a greater commitment by Washington in the aggression against Nicaragua. Undoubtedly, he said, the counterrevolution will now have new weapons and military communications equipment, but nothing will stop their defeat.

USSR DONATES LARGE QUANTITY OF WHEAT, RICE

PA021949 Managua Radio Sandino in Spanish 1200 GMT 2 Aug 86

[Text] Large food donations are coming from the Soviet Union to support Nicaragua in view of the crisis of the lack of staple products such as rice and wheat. The Soviet Union Government donated 1.1 million quintals of wheat and over 500,000 quintals of rice. (Yuriy Rosentov), charge d'affaires of the Soviet Embassy in Managua, said that the USSR workers made this effort so that Nicaraguan workers will not go without staple products, although there is a war raging in this country's most productive zones.

For that reason, since May Soviet vessels have often been seen entering our Pacific coast to unload foodstuffs and agricultural machinery, which serve to reinforce our economy's primary activity.

AMBASSADORS TO BRASILIA, HAVANA APPROVED

PA030439 Havana International Service in Spanish 2300 GMT 1 Aug 86

[Text] The Brazilian Government has confirmed its approval of the appointment of Jorge Bolanos, Cuban deputy foreign minister, as the new Cuban ambassador to Brazil. At the same time, the Brazilian Foreign Ministry has reported that Cuba has approved the appointment of Italo Zappa as new Brazilian ambassador to Cuba.

Zappa, current Brazilian ambassador to the PRC, has been described as the architect of Brazil's policy of friendship with Portuguese-speaking African countries. He is also one of the most prominent Brazilian diplomats. Cuba and Brazil renewed their diplomatic relations in June. These relations had been broken off in 1964 by the military regime that overthrew President Joao Guoulart.

RODRIGUEZ MEETS WITH FRG GREEN PARTY DELEGATION

FL011336 Havana Radio Progreso Network in Spanish 1100 GMT 1 Aug 86

[Text] Carlos Rafael Rodriguez, Politburo member and Vice President of the Councils of State and Ministers, has received a delegation from the FRG Green Party composed of Mrs Jutta Ditfurth, party president, and Mr (Manfred Chiaerans).

The meeting was held in a fraternal atmosphere. Subjects related to politics in Latin America, problems caused by the foreign debt, and the Green Party's struggles in the FRG were discussed.

MORE ON NEW SATELLITE TELEVISION TRANSMISSIONS

PA020415 Havana International Service in Spanish 2300 GMT 1 Aug 86

[Report by Ezequiel Perez Martin]

[Text] Cuban television has begun to transmit via satellite. Since 26 July at 1800, on Friday, Saturday, and Sunday, Cuba has been transmitting its best movies and television programs in the fields of culture, sports, and news. Recently Danilo Cirio, director of the new Cuban television channel, discussed this new undertaking aimed at guaranteeing better quality transmissions. This is possible thanks to an agreement with the Intersputnik International System. Cuba is a member of this system.

[Begin Cirio recording] In this early phase, and through late December, we will transmit only on weekends. We will transmit on Friday, Saturday, and Sunday beginning at 1800. When the time changes we will transmit at 1700 instead of 1800. We change because GMT does not. Thus, we will change our transmitting times. So instead of transmitting at 1800 we will transmit at 1700. We will be on the air for no less than 3 hours. The channel may be able to transmit a little over 3 hours, but in this early phase it will be approximately 3 hours. [end recording]

The new Cuban television signal can be picked up along the North American Atlantic coast, in Central and South America, and in Mexico -- especially on the eastern coast -- and it will also be picked up in Europe and Africa.

In the beginning the channel will transmit 3 hours a day on Friday, Saturday, and Sunday. In a few months this will change.

[Begin Cirio recording] Next year, beginning in January, we will expand our hours of transmission. Little by little we will expand until we are transmitting every day of the week. This will be done slowly. We will expand until we are transmitting 8 hours a day. [end recording]

Other than improving the quality of Cuban television -- the reason Cuba took this important step -- we now have the opportunity to reach Cuban internationalists, students, and diplomats abroad, and they will have the opportunity to enjoy the best programs of the two Cuban television channels. This new channel's programs will be based on a selection of the best of Cuba's national production. This will also allow all of Cuba's friends abroad and those interested in viewing our programs to tune in. The channel transmits on 3.775 ghz, video channel, and 7.5 mhz for audio. To tune in you will need a satellite receiver with variable audio tuning.

FOREIGN SECRETARIAT DENIES LIBYAN CONNECTION

FL021328 Santo Domingo Radio Antillas Network in Spanish 1000 GMT 2 Aug 86

[Text] The Dominican Republic has no diplomatic representatives to the Libyan Government. The clarification was made in response to a U.S. Department of State report which indicated that Libya was supplying financial aid to Dominican guerrilla groups through its diplomatic delegations. (?This) week the Protocol Department of the Foreign Secretariat reported that General [as heard] Mu'ammar al-Qadhdhafi has no Libyan representatives in the Dominican Republic.

In a press release yesterday, the Dominican Republic was listed as 1 of 32 countries where Libya has trained or armed guerrilla groups or used diplomatic delegations to spread its influence. The Foreign Secretariat's statement denies the U.S. accusaiton that there are Libyan representatives in the country.

The press release issued in Washington accused Libya of using religious (?and Islamic) temples as fronts to hide its ties with guerrillas.

JORGE NAMES DELEGATION FOR BARCO INAUGURATION

PA021416 Hamburg DPA in Spanish 0237 GMT 1 Aug 86

[Text] Santo Domingo, 21 Jul (DPA) -- Manuel Beres Chupani, president of the Supreme Court of Justice, will head the Dominican delegation attending the inauguration of the new Colombian president, Virgilio Barco Vargas.

The other members of the delegation will be Homero Hernandez Almanzar, deputy foreign minister, and Rafael Valera Benitez, ambassador extraordinaire and plenipotentiary to Colombia.

President Salvador Jorge Blanco announced the appointment of the delegation in an executive decree. Barco Vargas will be sworn in on 19 August [date as received], 3 days after Dominican President-elect Joaquin Balaguer assumes power.

It has been announced that the various events on the occasion of Balaguer's swearing in will begin on 14 August and end on 17 August.

BARBADOS

GUATEMALAN AMBASSADOR CONCLUDES TRADE TALKS

FL011633 Bridgetown CANA in English 1527 GMT 1 Aug 86

[Text] Bridgetown, Barbados, July 31, CANA -- Guatemala and Barbados rounded off three days of talks here today, designed to explore possibilities of commerical and diplomatic relations.

Guatemalan ambassador to Venezuela, Miriam Cabrera Passarelli, left for Caracas today after talks with Foreign Minister J Cameron Tudo about the prospects for such ties.

Ms. Cabrera Passarelli said afterwards no final agreement had been reached, and that her exploratory talks will be followed up in Guatemala City in September when Senator Tudor leads the Barbados delegation to the Organisation of American States (OAS) General Assembly being held there.

The Guatemalan envoy disclosed that Caribbean Air Cargo (Caricargo) and Guatemala's national airline Aviateca, have begun discussions about possible collaboration. We are interested in opening commerical relations. Caricargo company is having contacts with Aviateca...so they can get together covering North America, South America and the Caribbean, she said.

Caricargo is an all-cargo airline company, owned jointly by Barbados and Trinidad and Tobago. The airline operates long-haul Boeing 707 jets between points in the Caribbean and U.S. cities, including Miami. Caricargo also operates smaller aircraft in its services to the neighbouring islands of the area.

Ms Cabrera Passarelli described her visit to Barbados as purely exploratory. I came just to make an approach...to open relations with Barbados. We are interested in commerical relations. She said no firm agreements were reached, but Barbados can recognise Guatemala's interest in opening relations both with Barbados and other countries of the caribbean region. She indicated this was one of the results of the changeover to civil, democratic rule in Guatemala earlier this year, after nearly 30 years of military rule.

...Now that we have a democratic, popular government...the elections were clean...we are now open to the world, Ms Cabrera Passareilli added.

GRENADA

CUBAN-TRAINED PROFESSIONALS RETURN TO SERVE

FL011641 Bridgetown CANA in English 1515 GMT 1 Aug 86

[Text] Bridgetown, Barbados, July 31, CANA -- The first batch of Grenadians, who went to Cuba to be trained as doctors, has returned home after studying in Havana for the past seven years.

Ten of the medics, among them Bowen Louison, younger brother of former People's Revolutionary Government [PRG] agriculture minister George Louison, passed through Barbados yesterday when they arrived here on the fortnightly Cubana Airlines flight to the Caribbean.

Mr Bowen told CANA that we are all anxious about going back home and to be of service to our country. We are grateful to the government and people of Cuba for their assistance in making it possible for us to be professionally qualified in various fields of study...

Altogether, some forty Grenadians, including the ten doctors, graduated last month in various disciplines and they should all be back home, according to Louison, within the next two weeks.

Among the graduates are three dentists, civil and industrial engineers, and a veterinary surgeon.

This most recent batch of Grenadians to have graduated in Cuba, were among the early students sent by the then PRG of Prime Minister Maurice Bishop to Cuban universities and medium-level institutions.

Following the election in December 1984 of the new national party government of Prime Minister Herbert Blaize, a decision was taken to approach the university of West Indies (UWI) for an evaluation and ratification of the syllabuses of the Grenadians who studied in Cuba and who wished to be employed at home.

The UWI has since informed the Blaize government of its evaluation, concluding that the degree courses offered by Cuban universities were even more intensive than courses offered by the UWI.

The UWI's report also commended the medium level courses and, in a general observation, said that the Cuban universities are highly admissable, both by North American and European universities...

Mr Bowen said that in view of the need for skilled Grenadians in Grenada, he and his colleagues were hoping that with the clearance from the UWI, there will be no obstacles placed in our way by the Grenada Government to be usefully employed in our own country.

JAMAICA

MANLEY TAKES MEASURES TO AVOID VIOLENCE

FL011624 Bridgetown CANA in English 1559 GMT 1 Aug 86

[Text] Kingston, Jamaica, August 1, CANA -- Leader of Jamaica's main opposition People's National Party, Michael Manley, has ordered a cancellation of victory celebrations in a bid to put the lid on scattered political violence which followed the PNP's landslide win in Tuesday's municipal elections.

He also announced postponement of a strategy session planned for today involving elected councillors and senior party officials so that local party officials could remain in their ridings and encourage supporters to avoid political conflict.

Both Manley and Prime Minister Edward Seaga have made national appeals for peace and said reports of violence were hurting the country's image abroad.

I ...call on Jamaicans to put aside all divisive thoughts and provocative action, Seaga said in a television broadcast last night.

Earlier, Manley had called on Jamaicans to accept victory with humility and accept defeat with grace.

Police said there were no reports of disturbances today. However, they reported that at least four persons had died in the sporadic violence that broke out during Tuesday's elections.

At least six persons were injured by gunshots.

Six houses were burnt in the south central parish of Clarendon and in St Catherine, west of the capital, where there were disturbances yesterday.

Police said in the St Catherine capital, Spanish Town, a woman, branded a PNP supporter, was taken from her home, stoned to death and her house burnt.

There were also skirmishes between rival factions and a number of families were reported to have moved on the threat of being burnt out.

Police said up to last night, 38 persons had been detained and a number of others arrested since Tuesday in connection with the disturbances, confined mainly to a few historically polarised and volatile communities.

Tuesday's poll fanned passions unusual for a municipal election because it spanned national issues.

The PNP turned the poll into a referendum on the Seaga government which has held power since 1980, implementing International Monetary Fund-inspired austerity programmes.

In a news broadcast last night, Seaga warned that the government would not hesitate to take all the necessary steps within the law to maintain peace and order.

Both he and Manley stressed the economic damage that could be done to Jamaica by violence.

This can only hurt our tourist industry and frighten new investors, Manley declared.

The PNP is estimated to have won 57 per cent of the 60 per cent voter turnout and appeared set to control at least 11 of the 13 local government authorities.

BOUTERSE DISCLOSES FOILED 'INVASION' PLAN

PA011631 Paris AFP in Spanish 2330 GMT 31 Jul 86

[Text] Paramaribo, Suriname, 31 Jul (AFP) -- Surinamese chief of state Desi Bouterse today disclosed the details of an invasion plan against Suriname which was prepared "by foreign forces." The plan was thwarted with the detention of 14 mercenaries who were leaving the United States.

Bouterse analyzed the current political situation before the 25 February Movement, which under his leadership seized power on that date in 1980 by overthrowing the government of Henck Arron.

Bouterse, who 2 weeks ago began a period of democratic transition with the appointment of an executive Cabinet made up of civilians from political parties, unions, and the business sector, said that the invasion plan began with an attack on the Albina military camp located on the border with French Guyana.

The FBI arrested 14 mercenaries in New Orleans who were en route to Suriname to overthrow the government.

Bouterse said that according to the initial plan, the mercenaries were to arrive at the Zanderij International Airport on 21 July, meanwhile an attack would be staged at the Albina military camp to distract the Armed Forces' attention.

According to the official sources, the mercenaries were not going to arrive in Suriname as an armed group. They would pretend to be businessmen who would sign a $300-million loan previously agreed to with Finance Minister Wim Udenhout and other senior officials. The contract was to be signed by Tom Lynn Denley (arrested in the United States under charges of trying to overthrow a foreign government by force) and by Bouterse in the Presidential Palace.

However, Bouterse decided that the contract would be signed on 28 July and not 21 July as orignally planned.

Bouterse said that those who tried to occupy the Albina camp would try to declare the district of Marowijne a "liberated territory," with its own flag. He said that Albina airport would be used as an airbridge by the invaders, who according to a communique issued by Brunswijk and broadcast on television, are struggling "against Bouterse's criminal regime."

Bouterse added that this invasion system is always used against the countries that experience a revolutionary process. In addition, he mentioned the role played by the Netherlands Embassy in helping Brunswijk escape to the Netherlands Antilles last June. He added that the explusion of Netherlands journalist Erick Klipp on 8 July should also be considered in that sense.

According to the investigations, Klipp got a false passport for Brunswijk, with which he was able to escape to the Netherlands Antilles. He was then expelled by the government to French Guyana, from where he began an attack against the Albina camp.

FBIS

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SELA SPONSORS NEW COMPUTER SCIENCE GROUP

PA010431 Paris AFP in Spanish 0237 GMT 1 Aug 86

[Text] Caracas, 31 Jul (AFP) -- Ten Latin American governments today created in Caracas a Committee of Action for Latin American Cooperation and Coordination in Computer Science and Electronics (Comite de Accion Para la Cooperation y Concertacion Latinoamericana en Informatica y Electronica -- Caciel]. The group's headquarters will initially be in Lima.

The committee was created under the auspices of SELA, which organized three meetings this year attended by experts or government representatives to evaluate the needs and hopes of the region in computer science and electronics.

The following countries are in Caciel: Argentina, Brazil, Costa Rica, Chile, Mexico, Nicaragua, Peru, the Dominican Republic, Uruguay, and Venezuela. The remaining 15 members of SELA may join the committee when they so desire.

CHRISTIAN DEMOCRATS MEET ON DEMOCRATIZATION

PY011749 Madrid EFE in Spanish 0159 GMT 1 Aug 86

[Text] Montevideo, 31 Jul (EFE) -- A meeting of South American Christian Democratic parties which started tonight in Uruguay is studying the democratization processes in the region and their participation in these processes.

The meeting, which ispresided over by former Chilean Senator Renan Fuentealba and Hilarion Cardozo, the current vice president of the Venezuelan Senate, opened with a protocol ceremony at the Montevideo Parque Hotel. Present at the meeting were representatives from Argentina, Bolivia, Ecuador, Chile, Paraguay, Venezuela, and Uruguay.

During the seminar they will discuss the democratization processes of several countries in South America, and the various party leaders will submit reports. The Christian Democrats will also study the consolidation of representative systems and social changes in the region.

Those attending the meeting, which will close on 2 August, held a meeting today with Uruguayan President Julio Maria Sanguinetti, with whom they talked about democratic transitions and the Uruguayan democratization process. After the meeting with Sanguinetti, Fuentealba held a press conference during which he criticized the government of General Augusto Pinochet and said that "the Chilean regime is constantly changing and is becoming increasingly personalized toward the dictator."

GOVERNMENT SCORES U.S. SUBSIDIZED GRAIN SALES

PY050242 Buenos Aires TELAM in Spanish 0028 GMT 5 Aug 86

[Text] Buenos Aires, 4 Aug (TELAM) -- The Economy Ministry today condemned the sale of U.S. cereal grains at subsidized prices and charged that this unfair competition violates, if not the letter then the spirit of, the international trade system and the principle of economic coexistence among nations.

In a note released tonight at the Finance Palace, the Economy Ministry calls on developed countries to act responsibly and warns them of the consequences that the lack of income for agricultural countries, caused by this decision, will have on the foreign debt issue.

Herewith the statement:

We have time and again said that in conducting economic affairs the developed countries must act as responsibly as we the developing debtor countries, and especially our country, have acted. All our efforts to balance our domestic and foreign accounts will be to no avail if the prices of our export products continue to decline. Should this problem persist, it will be necessary to find solutions that are even more advantageous to the debtor countries than those granted to them thus far regarding payment of their foreign debt. Furthermore, one perceives a serious injustice when these price drops, as in the case of cereal grains, are not prompted by the normal play of the market forces, but by the deliberate initiatives of some governments.

The United States has decided to extend its system of subsidized grain exports to its sales to the Soviet Union, India, and China. The effects of mechanisms instituted by the most prosperous countries to promote their foreign sales are thus being expanded to the detriment of others, especially those like Argentina and other cereal grain-producing countries that lack the resources, that is, the billions of dollars that are spent on this type of unfair competition. This unfair competition violates, if not the letter, then the spirit of the international trade system and the principle of economic coexistence among nations.

We reiterate our concern about those conflictive ways of addressing international trade matters, which can only worsen the crisis, and we propose that the most adequate policies be coordinated in the appropriate forums to ensure steady economic growth for developing and developed countries and an equitable international distribution of the cost of the international economic adjustment.

GOVERNMENT SENDS NOTE TO EEC ON FALKLANDS

PY050318 Buenos Aires TELAM in Spanish 2046 GMT 4 Aug 86

[Text] Buenos Aires, 4 Aug (TELAM) -- The Argentine mission accredited to the EEC has reasserted Argentina's sovereignty rights over the Malvinas Islands following a resolution by the EC Council of Ministers granting financial assistance to these islands, which are described in the resolution as overseas territories of an EEC member country.

According to Foreign Ministry sources, the Argentine mission sent a note to the EEC citing UN General Assembly resolutions recognizing that there is a sovereignty dispute over the Malvinas, including Resolution 31/49, which recommended that the Governments of Argentina and Great Britain refrain from making unilateral changes in the disputed zone.

FRG MINISTER KIECHLE ARRIVES FOR VISIT

PY042233 Buenos Aires DYN in Spanish 2228 GMT 2 Aug 86

[Excerpt] Buenos Aires, 2 Aug (DYN) — FRG Minister for Food, Agriculture and Forestry Ignaz Kiechle today arrived in Argentina for an 8-day visit during which he will participate in the opening of the rural show and will meet with high-ranking government officials and leaders of rural organizations.

The FRG minister arrived at the Aeroparque Metropolitan Airport this afternoon and was welcomed by the FRG ambassador to Argentina, Hans Werner von Finckenstein.

During his visit Kiechle will pay a courtesy visit to President Raul Alfonsin and will hold talks with Economy Minister Juan Sourrouille; Secretary for Livestock, Agriculture and Fishing Lucio Reca; and members of congressional committees on agriculture.

The FRG minister will also hold talks with Argentine Rural Society President Guillermo Alchouron and with the leaders of other rural organizations in order to discuss issues of interest.

Kiechle's agenda includes visits to meatpacking plants, port facilities, the Liniers cattle market, and the grain board, and meetings with executives of German corporations operating in Argentina. [passage omitted]

CIRO HUMBOLDT BARRERO ELECTED SENATE PRESIDENT

PY050144 La Paz Cadena Panamericana in Spanish 0000 GMT 5 Aug 86

[Excerpt] Ciro Humboldt Barrero has been elected president of the Senate. There were no problems in the election of Humboldt, because he had the unanimous support of all members of the political parties that were elected in the 1985 elections. Thus, the MNR [Nationalist Revolutionary Movement] now assumes responsibility for running the Senate. [passage omitted]

INTERIOR MINISTRY REPORTS JOINT ANTIDRUG DRIVE

PY311620 La Paz La Red Panamericana in Spanish 1130 GMT 31 Jul 86

[Text] The Public Relations Department of the Interior Ministry has reported that the antidrug operations in the eastern part of the country continue. According to a communique actions were recently conducted in Santa Cruz and Chimore. The following is official communique No 5: [number as heard]

Bulletin No 5: A medium-sized cocaine factory, which had been abandoned by drug traffickers, was discovered today in Beni Department during a patrol operation conducted by the Mobil Units for Rural Areas, Umopar, with the logistical support from three U.S. helicopters.

According to preliminary information relayed from the helicopters the patrols conducted operations north of Beni. The operations encompassed an area of about 200 km, almost reaching the Itenes River at the Brazilian border. The information indicates that a cocaine factory was found. However, the factory had recently been abandoned and destroyed in a manner used by the drug traffickers.

Santa Cruz: According to information received from Santa Cruz the personnel of the Regional Office for the Control of Dangerous Substances conducted an operation on 12th Street, seizing two containers with drugs. One of the containers held 7 bags with 7.5 kg [words indistinct].

In another operation, regional office personnel found 6 kg of cocaine base in a Nissan truck license No 215062, abandoned on Grigota Avenue. Gilda Corboda Escobar was arrested, but another person, Orlando Corboda, escaped.

Chimore: After overflying the Mariposa, Ivirganzama, Hacienda Tres, and (Sinahota) areas in the Chapare, another patrol located and destroyed three large cocaine factories made up of 25 pits for macerating coca and 200 liters of enriched water.

Drugs, Factories in Cochabamba

PY021355 La Paz La Red Panamericana in Spanish 0000 GMT 2 Aug 86

[Text] Interior Ministry officials reported today that Umpdar troops have presented a total of 128,500 grams of basic cocaine sulphate to the Cochabamba Departmental Federation for Control of Dangerous Drugs.

The sources added that as aresult of an operation carried out in Valle Alto, Cochabamba Department, four persons were detained and 21,300 grams of drugs were seized, which were also sent to the Departmental Federation for Control of Dangerous Drugs.

Later, 40 packages of coca were seized at a private home and eight drug factories still in operation were discovered.

Further Details on Results

PY021559 La Paz La Red Panamericana in Spanish 1130 GMT 2 Aug 86

[Text] The Interior Ministry's bulletin No 7 on the antidrug operation states that 22 cocaine manufacturing installations have been found. It states that during operations carried out in the past 48 hours by the Umopar of the national police with the support of the U.S. helicopters one operating cocaine factory and another ready to be installed were found.

The first operation was conducted after a lengthy flight that took Umopar troops 270 km north of Trinidad. There they found a complex of 22 buildings, the 2 largest of which were used for crystalization of the drug. Two others housed the drying system for cocaine hydrochloride.

The Umopar patrols also conducted another operation in southern El Beni, 130 km away, between Caimanes and Rio Grande. There they found a semicovered 1,000-meter landing strip, which was almost complete. This place has no contact with any inhabitated locality, and the installation apparently meets modern standards for a jungle airstrip.

BRIEFS

OIL, NATURAL GAS RESERVES -- The Bolivian Government Oil Deposits [YPFB] has reported that the country's oil reserves are approximately 151 million barrels and the natural gas reserves about 5 trillion cubic feet. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 31 Jul 86 PY]

CENTRAL BANK DOLLAR SALES -- Acting Central Bank President Jaime Escobar has reported that the Central Bank has auctioned $173 million [on the domestic market] since 2 September 1985 and that U.S. dollar sales have averaged $1 million per day in recent months. He added that the U.S. dollar exchange rate has remained relatively stable during this period. He said that the Central Bank has purhcased $22.8 million and that it has received $175 million from exports of hydrocarbons and minerals and $47.8 million from nontraditional exports. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 28 Jul 86 PY]

AGREEMENT ON UNIVERSITY -- Vice President Gulio Garret Ayllon this morning in La Paz signed an agreement with the United Nations to grant support to the Simon Bolivar Andean University. During the signing of the agreement, Garret Ayllon said he considers it very important because it is the first contribution to the creation of the Andean University. Garret Ayllon, who is president of the Andean Parliament, said that this agreement will grant the necessary conditions for seeking other resources and other kinds of cooperation that may allow the creation of an educational fund for the Andean University. [Excerpt] [La Paz La Red Panamericana in Spanish 1700 GMT 25 Jul 86 PY]

SARNEY CONDUCTS ROUTINE MEETINGS 4 AUGUST

PY050058 Brasilia Domestic Service in Portuguese 2200 GMT 4 Aug 86

[Text] The financial situation of the states and their capitals was the subject of the first meeting to be held this week at Planalto Palace. It was a routine meeting conducted by President Sarney with the ministers from the economic sectors and with the special participation of Deni Schwartz, minister of housing and urban affairs. His participation in the meeting was explained by Frota Netto, press under secretary of the Presidency.

The government has discovered that the debts of the municipalities are concentrated with the National Housing Bank. The foreign debt of the states, and the negotiations between the National Housing Bank and its clients were two other topics discussed during the meeting.

HEAVY WEAPONS WILL BE SOLD TO LIBYA

PY042332 Paris AFP in Spanish 1810 GMT 4 Aug 86

[Text] Sao Paulo, 4 Aug (AFP) -- VEJA, the most important Brazilian weekly magazine, reports in this week's issue that the Brazilian Government has authorized the sale of weapons to Libya, but only the type of weapon that cannot be used for terrorist purposes.

The magazine states that Libya can purchase heavy weapons, especially armored vehicles and missiles, from the Brazilian weapons industry, but it will not be able to purchase light weapons.

ENGESA [Specialized Engineers Inc.] is Brazil's main manufacturer and exporter of weapons and is Libya's main supplier. It has been told that it cannot supply Libya with antitank mines because they can be used for terrorist actions.

In June 1986 the newspaper FOLHA DE SAO PAULO, one of Brazil's most influential newspapers, reported that Libya had signed a contract with Brazil for the purchase of $1 billion worth of weapons, mainly armored cars. Two days later, on 17 June, the Brazilian Foreign Minstry denied that report, which had also been published by the U.S. newspaper THE WASHINGTON POST.

During an exclusive interview granted to the Brazilian television network Bandeirantes, Colonel Mu'ammar al-Qadhdhafi, leader of the Libyan revolution, stated last night that he considers relations with Brazil very important, and he hopes they continue to improve.

CUBA BEGINS DIRECT SHIPPING IN SEPTEMBER

PY311833 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Jul 86 p 36

[Text] Beginning in September, vessels from the Cuban shipping company Mambisa will be arriving in Brazil. This announcement was made by Antonio Balbino, manager of the regular lines of the Barlavento Maritime Agency [Barlavento Agenciamientos Maritimos]. Balbino, who was named general agent of Mambisa in Brazil last October, believes that freight charges should be cheaper than those of other companies which operate in the region, as Mambisa is not a profit-seeking firm and the charges will "just cover costs."

The argument used by the Barlavento manager to explain the time needed for the implementation of the service is the same one used to explain the lower costs: It is a state-owned company. "For that reason, changes are slower."

Balbino says that the ships are already booked until the first half of August. For that reason they cannot arrive in Brazil until September.

The ships, which are conventional vessels (carrying containers and general cargo), will dock twice a month in Brazilian ports, according to the program worked out by the Barlavento Agency. Paranagua is the preferred port "because it is closer to some industries that export to Cuba," says Balbino, who admits that docking charges are 40 to 50 percent cheaper in Paranagua than in Santos.

Balbino explains that goods were already being exported to Cuba before relations were resumed. The operations were indirect, that is, goods were shipped to Panama or Argentina, and from there to Cuba. The most important Brazilian goods imported by the Cuban Government are paper rolls, machines for distilleries, and general machinery, according to Balbino.

He does not think that Cuba will be a disappointment in trade, even though he is aware that the country has little to offer to Brazil and does not have hard currencies on hand. Balbino understands that the payments will be made through financing and lines of credit that the Brazilian Government will extend to Cuba. Balbino says that Barlavento has received daily calls about freight rates. "Exporters are eager to get information."

Mutillo Rubens Habbema, head of the National Superintendency of the Merchant Marine (Sunaman), has not received any request yet from Brazilian shipowners to operate in the Brazilian-Cuban shipping lane.

FRANCE WANTS TO INCREASE TRADE, INCLUDING ARMS

PY041633 Rio de Janeiro O GLOBO in Portuguese 31 Jul 86 p 27

[Text] Brasilia -- France wants to increase trade, including arms deals, with Brazil because it believes that the current trade level is extremely low. This is the opinion of French Assistant Foreign Secretary of State Didier Bariani, who yesterday concluded a 2-day visit to Brasilia.

While meeting with Itamaraty Secretary General Paulo Tarso Flecha de Lima, Bariani arranged a meeting for late August with French Foreign Trade Minister Michel Noir, when the Itamaraty secretary general will be in Paris to discuss the informatics law with U.S. Government representatives.

Despite the good political climate that exists between Brazil and France, the 1985 bilateral trade level was less than $780 million (10.8 billion cruzados), showing a $480-million (6.65 billion cruzados) surplus for Brazil. The French want Brazil to increase cooperation in the energy, high technology, and even in the arms fields. According to Bariani, "France and Brazil are producing arms and if there are any possibilities of trade in that field, there are no reasons for overlooking them."

DEL VALLE SEES NO TALKS AT COLOMBIAN INAUGURATION

PY042216 Santiago Domestic Service in Spanish 1700 GMT 4 Aug 86

[Text] Before leaving for Colombia to attend the presidential inauguration, Foreign Minister Jaime del Valle made several comments. The foreign minister stated that this is just a protocol visit, thus ruling out a scheduled meeting with the Bolivian foreign minister to review bilateral issues.

[Begin Del Valle recording] [in progress] ... but there is no plan to hold talks with him. This is absolutely firm. This has also been stated by the Bolivian Foreign Ministry. Thus, it is not planned to hold talks directly linked to our bilateral relations. We will hold talks when we meet at the United Nations, where there is more time and a better opportunity for this type of meeting. [end recording]

Nevertheless, Del Valle said that Chile will continue its policy of seeking rapprochement with the neighboring country, in an effort to resume diplomatic relations.

Elsewhere, Foreign Minister del Valle said that he will meet with the special envoy that the FRG will send to Colombia and, perhaps, if the Peruvian foreign minister attends the inauguration, he will discuss pending issues with him.

Asked about a report from abroad that the United States will stop importing grapes from our country, Del Valle said:

[Begin recording in progress] ... every time economic or other type of sanctions, either by the private sector or by the port workers, were mentioned. There are other cases, involving [words indistinct] and businessmen who are coming and have overcome this situation.

Thus, I want to be optimistic and believe that these things will be overcome. Let us not forget that we have experienced this quite often and last year, we set a record in fruit exports. At any rate, I hope that [words indistinct] the difficulties (?that may crop up) will be overcome. [end recording]

Foreign Minister del Valle will return to Chile on 9 August.

Discusses Helms Charges, EEC Note

PY042345 Santiago Radio Chilena in Spanish 1700 GMT 4 Aug 86

[Relay from Santiago International Airport by Jose Francisco Contreras]

[Excerpt] Foreign Minister Jaime del Valle has said that the charges made in the United States against Republican Senator Jesse Helms are completely groundless. According to news agency reports, the FBI is carrying out an investigation regarding the alleged delivery of secret U.S. Government information to Chilean authorities by Helms during his recent visit to Chile. Helms reportedly gave information to the Chilean Government regarding an alleged secret U.S. intelligence-gathering operation. Regarding this report, Foreign Minister Jaime del Valle said that the charges are completely groundless. He said: I hope that the investigations into this matter prove the obvious, which is that Jesse Helms never supplied such information.

Regarding the declaration that was submitted on 1 August by the British ambassador to Chile in representation of the EEC, in which the EEC urged the Chilean Government to take prompt steps leading to democracy and to engage in dialogue with the opposition, Jaime del Valle reported that the Chilean Foreign Ministry has sent a note to the Chilean Embassy in London. In this note the Chilean Government states that the EEC's declaration contains some mistakes, particularly regarding the democratic transition period.

Foreign Minister Del Valle made this statement today at Padahuel International Airport minutes before his departure for Bogota, Colombia, where he will attend presidential inaugural ceremonies. [passage omitted]

OFFICIAL DESCRIBES ABRAMS' STATEMENT AS 'OUTBURST'

PY050137 Santiago Domestic Service in Spanish 2300 GMT 4 Aug 86

[Excerpt] Interior Ministry Under Secretary Alberto Cardemil has described remarks by Elliott Abrams, U.S. assistant secretary of state for inter-American affairs, regarding Chile as the outburst of a bureaucrat. The U.S. official last week made serious comments regarding Chile, as a result of which the Chilean Government has submitted a note of objection.

Asked about this issue, Alberto Cardemil categorically described Abrams' statement as an outburst.

[Begin Cardemil recording] I believe that...[changes thought] I have been pondering Abrams' remarks. My personal opinion is that they are the outburst of a bureaucrat. We should recommend that he be more careful with the handling of carrots and sticks because they can be used in many different ways. They have a lot of uses, but you cannot sit on them. [as heard] One must always keep in mind this possibility. [end recording]

Cardemil reasserted his annoyance over Abrams' statements, which constituted interference in domestic affairs. [passage omitted]

NEGOTIATIONS WITH ROMANIA TERMED 'HIGHLY SUCCESSFUL'

PY050247 Madrid EFE in Spanish 0113 GMT 5 Aug 86

[Text] Santiago, 4 Aug (EFE) -- Foreign Affairs Under Secretary Colonel Ramon Valdes today termed as "highly succesful" the recent meeting of the Joint Chilean-Romanian Commission for Cooperation and Scientific and Technological Exchange. Valdes returned today to Santiago from Bucharest, where he headed the Chilean delegation that participated in the meetings of the joint commission.

He stated that during his stay in Romania he had the occasion to meet with government officials, including the ministers of chemical industries, machinery and heavy industry, foreign trade, and foreign affairs. He indicated that during his talks with Romanian officials various political and economic topics were discussed and he stressed that the results of the Bucharest meeting "must lead to fairly concrete agreements." The next meeting of the Joint Chilean-Romanian Commission will be held in Santiago during 1987.

HUMAN RIGHTS COMMISSION WORK DEEMED 'POSITIVE'

PY050200 Santiago Radio Chilena in Spanish 2300 GMT 4 Aug 86

[Relay from Government House by Eliana Henriquez]

[Text] The government's Human Rights Commission tonight submitted to Interior Minister Ricardo Garcia the first report on the work it has carried out since its establishment almost 1 and 1/2 months ago. This was reported by Ricardo Martans, president of the government's Human Rights Commission, at the end of a 1-and-1/2-hour meeting he held with the interior minister.

Martans noted that the report dealt with about 20 of the 40 cases that have been submitted for the consideration of the commission. He added that this report includes several proposals regarding the issues discussed, but he declined to disclose them.

Asked if there is an investigation under way of the case of the relatives of Chilean folk singer Benedicto Salinas, who according to the police report committed collective suicide, Martans said that no case currently before the courts can be studied by the commission. The lawyers described as very positive the results that the Human Rights Commission has obtained so far.

SUPREME COURT RATIFIES JIMENEZ CASE CLOSED

PY041802 Paris AFP in Spanish 0103 GMT 3 Aug 86

[Text] Santiago, 2 Aug (AFP) -- According to a Supreme Court ruling, the Chilean courts consider closed the investigations into the murder which was committed on 25 February 1982. They have thus ended inconclusively, the attorney for the Jimenez family today reported. Jimenez, who was of Social Democratic leanings, had his throat slit and was shot by a unit that kidnapped him on a Santiago street a few days after he made a call for an organized opposition movement to the military regime of President Augusto Pinochet.

Three National Intelligence Center, CNI, (the secret police) agents and three pro-government labor union leaders appeared to be involved in the homicide, but the trial judge filed no indictments, and finally in 1985 the case was closed.

An appeal to annul the judge's ruling was then rejected by a higher court, and now the Supreme Court has ratified that the case is closed, said Jorge Saavedra, the attorney representing the Jimenez family. In his petition, attorney Saavedra requested that 10 inquiries be made. The inquiries would provide evidence to reopen the case.

During the now-closed investigations, information that implicated several supporters of the Chilean military regime was supplied by an official who deserted from the government's security services and took refuge in France.

POWERFUL BOMB EXPLODES NEAR ARMY BARRACKS

PY041421 Santiago Domestic Service in Spanish 1100 GMT 4 Aug 86

[Relay by Mobile Unit No. 06]

[Text] We continue on the site [word indistinct] a car bomb that exploded at about 0730 near the intersection of Figueroa and Coquimbo Streets, destroying a vehicle. We have also been informed that a person inside the vehicle was reportedly blown to pieces.

We have seen the vehicle's license plate, IJ5123. The vehicle was a Peugeot 504. According to other reports gathered at the scene, however, this license plate reportedly belongs to a Chevrolet "Opala" car whose owner is Mr Florencio Norberto Adams Cortes. This is the information we have here where the police forces who have cordoned off the entire sector, continue to arrive. The people in their houses have covered their windows because the windows of the houses located within a 1-block range were shattered.

At this moment the Carabineros have shown up and (?BOPE) personnel are gathering information to assess the magnitude of the explosion and the explosive used.

This was Mobile Unit No 6. [end relay] [Paris AFP in Spanish at 1232 GMT on 4 August in a similar report adds: "One person died and two were injured by the explosion of a powerful bomb planted today near a military barracks in Santiago, police sources have reported. The attack occurred near the barracks of the 2d Armored Vehicle Regiment."]

Another Explosion in Valparaiso

PY041423 Paris AFP in Spanish 1222 GMT 4 Aug 86

[Text] Valparaiso, Chile, 4 Aug (AFP) -- Regional authorities in Valparaiso have reported that a bomb exploded last night at an administrative office of the Chilean Carabineros in downtown Valparaiso. No victims have been reported. However, the shock wave caused substantial damage to the office's facade and to the windows of a large number of neighboring banks and government offices.

MIR DENIES INVOLVEMENT IN 25 JULY BOMB ATTACK

PY310036 Madrid EFE in Spanish 0354 GMT 30 Jul 86

[Text] Santiago, 20 Jul (EFE) -- The Movement of the Revolutionary Left (MIR) today denied rumors that it is responsible for the bomb attack in front of Government House on 25 July which injured 36 people. An individual, who identified himself as Antonio and as the security chief of the MIR Secretariat, called the EFE office in Santiago to deny the rumors. The MIR spokesman added that even though the MIR strategy is based on the "people's war," its objective is "to oust the dictatorship and lay the groundwork for a new social order," but "by no means to stage actions that may hurt innocent people." Antonio said that the bomb in front of Government House "seems to be an action by those who want to discredit the people's offensive against the regime and to overshadow the uproar that the case of the two burned youths has caused at home and abroad." He was alluding to the case of Rodrigo Rojas and Carmen Gloria Quintana.

According to relatives and eyewitnesses, the two youths were arrested, beaten, and burned by an Army patrol on 2 July during the first day of a general stoppage decreed by the Chilean opposition.

The MIR is the second armed opposition group to deny responsibility for the bombing in front of Government House. The first to do so was the Manuel Rodriguez Patriotic Front (FPMR), which called EFE and other media the evening of the day of the attack to deny its involvement and to denounce the bombing as "a criminal maneuver aimed at concealing the burned students' case behind a smokescreen."

The FPMR and the MIR, two Marxist political-military organizations, have in the past few years claimed hundreds of terrorist attacks against electric power lines, multinational companies, banks, bridges, railways, police and military barracks, and public buildings.

The bombing in front of Government House, in which 36 people were injured, has given the military government a chance to demand "a national and international uproar" against "terrorist violence," clearly alluding to the local and international reaction to the torching case. While visiting 4 of the 36 victims at a hospital, General Augusto Pinochet himself asked reporters to demand that he take strong action against terrorism, because if he does so on his own initiative, "the Vicariate of Solidarity, the priests, and everyone else will begin to protest. I then feel hamstrung and unable to do anything."

On the same occasion, Lucia Hiriart, the wife of the president, said that while so many groups "cry for terrorists, I bring my affection, my love, and my help to the victims of terrorists."

TERRORISTS ARRESTED, HANDED OVER TO MILITARY COURT

3 FPMR Members

PY282046 Santiago Domestic Service in Spanish 1700 GMT 28 Jul 86

[Relay by RSN of Rancagua]

[Text] The intendant of the 6th Region hereby reports the following:

1) On 25 July 1986, the National Intelligence Center placed three individuals at the disposal of the Cachapoal military prosecutor. The individuals, who are members of the self-styled Manuel Rodriguez Patriotic Front [FPMR], the armed branch of the Communist Party, perpetrated attacks against Endesa [National Electric Power, Inc.], pylons and held up a farm in the area. The terrorists had several bombs and homemade hand grenades.

2) The terrorists are: A. Name: O.O.G.T. [initials], age 17, alias Jorge Lalo; political affiliation: deputy chief of the FPMR (Galvarino) cell. This individual participated in the destruction of a pylon of the (Charrua) line in April 1986, the blowing up of a pylon in Totihue on 2 July 1986, and an attack against a farm on 21 July 1986 in search of weapons.

B. Name: M.A.E.P. [initials], age 16, alias Miguel; political affiliation: member of the FPMR (Galvarino) cell. This individual participated in an attack on a farm on 21 July 1986 when terrorists tried to steal weapons that the farm owner had in storage.

C. Name: Juan Carlos Gallardo Lazo, age 20, alias (Gile); political affiliation: member of the FPMR (Galvarino) cell. This individual participated in a bomb attack against a pylon on 2 July 1986 in Totihue.

3) This terrorist group stored explosives and materials for manufacturing bombs in a deserted area northeast of Rosario, not far from the city. The explosives were buried in an area of dense vegetation. The following materiel was found: 14 kg of ammonia gelatin, 23 meters of detonating cord, 8 homemade hand grenades, a large number of detonators, primers, quickmatches, safety fuses, a P25 submachinegun clip, and 9-mm ammunition.

4) It should be pointed out that before being arrested, one of the terrorists abandoned one of his weapons in a rural area. It was a Czech-made, (sec) P25, 9-mm submachinegun, serial number 114458, with a clip and 16 rounds.

5) The intendant of the 6th Region informs the people that security agencies are actively working in the area to preserve the tranquillity that the people have the right to enjoy, and the authorities have the duty to preserve.

Another 'Extremist' Arrested

PY012257 Santiago Domestic Service in Spanish 1700 GMT 1 Aug 86

[Text] An extremist who participated in attacks against bank buildings and electricity poles has been arrested. Washington Gallardo, 35, the arrested terrorist, took part in a dynamite attack on electricity poles and transformers in front of the house at 4700 Salvador Gutierrez Street on 15 June 1983. This was practically his initiation test for joining the Chilean Communist Party [PCCh]. He and 29 other Chileans were subsequently sent to training camps in Cuba to receive paramilitary instruction.

Gallardo and the other terrorists left the country secretly and stayed at the guerrilla camps financed by the Cuban Communist Party between July 1983 and February 1984. After sneaking back into Chile, Gallardo took charge of the logistical support department of the PCCh military branch in northwestern Santiago.

On 12 June 1984 Gallardo played a key role in a bomb attack against the branch office of the Quinta Normal state bank. The attack, which was staged after 2300, destroyed the building's doors and windows. On 27 July 1984 Gallardo and other criminals detonated a bomb planted at a pole carrying a transformer in front of the house at 5089 Carrascal Avenue. On 30 August 1984 Gallardo and his extremist partners once again attacked the branch office of the Quinta Normal state bank, shattering 17 glasses.

According to the information gathered by the investigative police, Gallardo had just been designated military training chief in the northwestern sector of greater Santiago. The terrorist has been placed at the disposal of the 1st Military Court in Santiago.

TERRORIST GROUPS WILLING TO CEASE ACTIVITIES

PY282020 Madrid EFE in Spanish 0756 GMT 28 Jul 86

[By Juan Jorge Faundes]

[Text] Santiago, Chile, 28 Jul (EFE) -- The Chilean Marxist left, particularly the Chilean Communist Party [PCCh], and the Manuel Rodriguez Patriotic Front (FPMR), have accepted that a Chilean military officer could head a provisional government that would lead to the reinstatement of full democracy in the country.

However, they demand that this military officer -- who could be anyone except General August Pinochet, the present Chilean president -- must "immediately implement" those measures that have been proposed by the National Accord [AN] to achieve a transition to full democracy. Although the Chilean Marxist left is not a member of the accord, it does "respect it."

They demand that this military officer must adopt the goals established by the recently created National Civic Assembly [ANC]; the largest coalition of social, union, and opposition organizations that has been established in Chile since the military coup which installed Pinochet in power in September 1973. The main objective of the ANC, 14 of whose leaders have been in jail for the past 15 days for having called the 2-3 July general strike, is precisely to pressure the government through civil disobedience so that it will be forced to lead the country to democracy. This possibility of appointing a military officer to achieve a transition to democracy has been proposed in the last few days by both the PCC and by the FPMR in exclusive clandestine interviews, according to the opposition magazine CAUCE in the issue that appeared today, 28 July.

A military transition, which has been accepted by even the left, is one of the alternatives to achieve a peaceful solution to the Chilean crisis and apparently the most feasible because the Marxist left, which traditionally comprises one third of the electorate who existed in Chile until the 1973 military coup, agrees with the idea. According to the Constitution enforced by the present regime, a plebiscite should be held in 1989 to elect or reject a single candidate, who must be proposed by the Armed Forces. This new Chilean president will start on 8-year presidential term which ends in 1997.

Members of all opposition parties believe that the holding of a plebiscite with General Augusto Pinochet in power, perhaps participating as the single candidate, does not offer them any guarantees that the country will truly head toward democracy. However, at present there is no absolute certainty that Pinochet will be the single candidate because in the last few weeks the three Armed Forces commanders (Navy, Air Force and Carabineros) have declined to comment on this issue, saying that "anyone could be the candidate" and that 1989 "is too far away."

In view of the opinions of the members of the Government Junta, Pinochet himself, who in the last few days indirectly announced that he could be the candidate in 1989, had to categorically say that "I am not the candidate. There is no such candidacy."

Among the proposals to resolve the Chilean crisis before 1989 are the so-called "immediate measures" proposed by the AN and signed in August 1985 by a large part of the opposition, but not by the Marxists. These measures include an end to the enforced exceptional measures; the full reestablishment of all public freedoms; an end to exile; the legalization of political parties (which at present are de facto); and -- the most important of all -- the holding of free, secret, and publicized elections for pre of the Republic and Congress.

According to the clandestine interviews that are published today by the magazine CAUCE, if this peaceful solution to the Chilean crisis is achieved and "if Chile is a truly sovereign country, the FPMR will cease its activities." Although it has expressed its willingness to accept a military transition to achieve the democratization of the country, the FPMR "is skeptical that a solution of this nature can be achieved." The armed group has said that "if a military officer does fulfill the objectives established in the document Chile Demands, along with the immediate measures proposed by the National Accord, and if the officer truly fulfills the democratization process, we would welcome him."

HONDURAN PRESIDENT VISITS, SIGNS TREATY

Azcona Comments on Joint Treaty

PA032346 Bogota Cadena Radial Super in Spanish 1730 GMT 3 Aug 86

[Text] San Andres -- Honduran President Jose Azcona Hoyo, who arrived in Colombia yesterday, will stay here until 7 August. The Honduran president will attend the inauguration of Colombian President-elect Virgilio Barco Vargas. Azcona Hoyo arrived on this island to sign a treaty with President Belisario Betancur committing the two countries to delimit their marine and submarine areas in the Caribbean.

Referring to the document signed last night, Azcona said it permits the creation of a new mechanism for the development of the two nations. Azcona said there is a marine and [words indistinct] wealth that will be recovered by the two countries to prevent fishing vessels from third countries from exploiting a resource that belongs to Colombia and Honduras exclusively.

Today Azcona and Betancur agreed that unity and peace is the slogan of Latin America. The two heads of state reiterated their determination to continue their efforts to reinforce the process of dialogue and political negotiation in Central America. Azcona and Betancur met in private today, after signing a marine areas delimitation treaty yesterday, Saturday, to put an end to long but friendly bilateral negotiations. Colombia and Honduras will share Serranilla Cay on the marine border between the two nations. They will also protect marine fauna and step up environmental conservation programs. The Honduran president noted that legalization of these measures is good, to acknowledge nations' rights.

Presidents Urge Union, Peace

PA041701 Madrid EFE in Spanish 2300 GMT 3 Aug 86

[By Guillermo Tovar]

[Excerpts] San Andres (Colombia) -- The presidents of Colombia, Belisario Betancur, and Honduras, Jose Azcona Hoyo, said today that "union and peace" are the most important aspects for the future of Latin America. They met today on this Colombian island in the Caribbean, beginning their talks with a private "working breakfast," in which they reiterated their willingness to continue promoting negotiations for a political agreement in Central America.

Although Betancur and Azcona held private talks, Colombian Government spokesman noted that during their 2d day of meetings, the presidents reaffirmed their conviction that political negotiation is the only path for a definite solution among the Central American countries.

Betancur maintained that "today, more than ever before, it is necessary to work for the democratization of the region," and considered that the "only path" is the Contadora Group, founded by Colombia, Mexico, Venezuela, and Panama in 1983. [passage omitted]

"It is always advisable to leave everything legalized in order to know how far our rights go and where the rights of the others begin," Azcona insisted. Azcona will go to Bogota next Thursday in order to attend the inauguration of President-elect Virgilio Barco, Betancur's successor.

The Honduran president stated that by defining the Colombian-Honduran borders "a new mechanism of development is created, because there is marine wealth in Serranilla that will be recovered by both nations in order to prevent fishing vessels from other countries from enjoying it."

Meanwhile, President Betancur said that the border agreement signed with Azcona's government "will allow our two countries to strengthen together their international relations."

Meanwhile, Honduran Foreign Minister Lopez Contreras ruled out any possible international problems in the future due to the "shared" sovereignty of Colombia and Honduras on Serranilla Cay. [passage omitted]

SENATE ELECTS THREE PERMANENT COMMISSIONS

PA040152 Bogota EL TIEMPO in Spanish 30 Jul 86 p 6-A

[By Leonel Fierro]

[Excerpts] A partial agreement between the various political sectors allowed the election of three of the eight permanent Senate constitutional commissions last night, all liberal majorities. [passage omitted]

The three commissions elected 113, 114, and 109 senators. Almost all of the members of the Senate -- as in the second case -- are formed as follows:

First Commission

Liberals: Alberto Santofimio Botero, Hernando Duran Dussan, Jose Fernando Botero Ochoa, David Turbay Turbay, Luis Guillermo Giraldo Hurtado, Jorge Ramon Elias Nader, Ricardo Mendieta Rubiano, Horacio Serpa Uribe, Federico Estrada Velez, Zamir Silva Amin

Conservatives: Guillermo Angulo Gomez, Roberto Gerlein Echeverria, Hugo Escobar Sierra, Carlos Martinez Simahan, Luis Escobar Concha (altenate for Rodrigo Lloreda Caicedo), Jose Joaquin Ortiz (alternate for Garbiel Melo Guevara), Jaime Bolivar, Jorge Sedano Gonzalez

New Liberalism: Ciro Alfonso Valdivieso Sarmiento

Patriotic Union: Hernando Hurtado

Second Commission

Liberals: Edmundo Lopez Gomez, Diego Uribe Vargas, Jorge Cristo Sahium, Jose Name Teran, Carlos Holmes Trujillo.

Conservatives: Mario Varon Olarte (alternate for Abel Franciso Carbonell), Miguel Escobar Mendez, Carlos A. Ramirez Chaux (alternate for Ignacio Valencia Lopez), Juan Carlos Ortiz Uribe (alternate for Miguel Santamaria Davila)

New Liberalism: Luis Carlos Galan

The Patriotic Union was excluded from this commission which directs the country's foreign relations and internal security, including the approval of military promotions.

Third Commission

Liberals: William Jaramillo Gomez, Ernesto Samper Pizano, Gustavo Dager Chadid, Eduardo Mestre Sarmiento, Guillermo Alfonso Jaramillo Martinez, Gustavo Balcazar Monzon, Aurelio Iragorri Hormaza, Juan Jose Garcia, Hector Jose Quintero, Victor Renan Barco

Conservatives: Humberto Arango Escobar (alternate for Omar Yepes Alzate), Silvio Ceballos Restrepo, Argelino Duran Quintero, Ernesto Garces Soto (alternate for J. Emilio Valderrama), Rodrigo Marin Bernal, Alvaro Leyva Duran, Daniel Mazuera Gomez

New Liberalism: Gabriel Rosas Vega

Patriotic Union: Jaime Montoya [passage omitted]

MARTIAL LAW DECLARED IN 4 SOUTHWEST TOWNS

PA040321 Paris AFP in Spanish 0242 GMT 4 Aug 86

[Text] Bogota, 3 Aug (AFP) -- Martial law was imposed tonight in four small towns in Southwest Colombia to facilitate the Army's antiguerrilla operations. The measure includes Belalcazar, Toex, Huila, and Mosoco, located in the central mountain range which divides the Huila and Cauca Departments located 450 km from Bogota.

A column of the National Guerrilla Coordinating Board, which consists of units from the M-19, the Indian Quintin Lame group, and other extremist organizations, has been operating in the mountainous region. Yesterday, the guerrillas killed an Army NCO and injured three soldiers during an ambush.

Today, in La Argentina, Huila Department, two rebels apparently belonging to the communist Revolutionary Armed Forces of Colombia (FARC), which attacked a 10th Brigade Detachment, were killed. Army troops, who suffered no casualties, seized weapons, ammunition, grenades, and uniforms; military sources added. Troops of the 9th and 10th Brigades are pursuing the rebels on the mountain slopes, with the help of gunship helicopters.

PACT WITHIN LIBERAL PARTY SEEKS LAINO'S RETURN

PY042028 Asuncion LA TARDE in Spanish 2 Aug 86 p 7

[Text] Usually reliable sources have been mentioning the possibility of the impending return of Domingo Laino, vice president of the Authentic Radical Liberal Party [PLRA] to Paraguay.

The return of this politician seems to be related to a possible agreement that the PLRA and the PLR [Radical Liberal Party] have been negotiating so that the PLRA will be able to rejoin the Liberal Party and participate in the 1988 presidential elections.

Among other things the agreement provides for Carlos Alberto Gonzales, one of the PLRA leaders, to be nominated for president of the nation, and Domingo Laino would become chairman of the executive board of the reunited PLR and PLRA. This group would share congressional seats with the so-called "geniolito" faction of the Liberal Party.

On the whole it is believed that the "geniolito" faction led by Emilio Forestieri and Ramon Lezcano Torres has won a remarkable political victory by getting the "authentic" sector currently led by Juan Carlos Zaldivar to rejoin the Radical Liberal Party.

It appears that this development is meeting with some opposition from the Popular Mobilization Movement of the PLRA led by Miguel Abdon Saguier who believes that the party should abstain from participating in the elections as a means of struggle. It seems that this position has considerable popular support, especially in the Central and Cordillera Departments.

The "Saguier" faction led by Juan Masi Guggiari, Felino Amarilla, Julio Cesar Franco, Hermes Saguier, Herminio Ruiz Diaz, and others is getting ready for an all-out campaign in favor of a hard attitude toward the government in keeping with true liberal traditions, according to the spokesmen.

All these developments will no doubt fall into place once Laino returns to the country in the wake of the agreement between the "geniolito" and "authentic" factions of the Liberal Party.

[Asuncion EL DIARIO in Spanish on 3 August carries on page 9 a 450-word report of a telephone conversation with Domingo Laino in Buenos Aires. Laino is quoted as saying: "I know nothing about the rumors that the government may allow me to return, but being a Paraguayan citizen I am still hopeful." Laino added that the rumors about his alleged return "could well be mere news media speculations."]

MORATORIUM DECLARED ON PUBLIC SECTOR DEBT

PY041455 Madrid EFE in Spanish 1956 GMT 3 Aug 86

[By Marisol Marin]

[Excerpts] Lima, 3 Aug (EFE) -- The Peruvian Government has decreed a unilateral moratorium until 4 November on the part of the public sector debt that is owed to private international banks. Meanwhile, the date on which the IMF can declare Peru "ineligible" to receive new loans is approaching. The unilateral moratorium, which was announced today, involves some $4.4 billion. This figure corresponds to the public debt's principal, which has not been amortized since March 1983.

This is the fourth time in a year that the APRA [American Popular Revolutionary Alliance] government, which follows the policy adopted by the Belaunde administration, has postponed the amortization. This decision was not unexpected within financial circles. It will, however, worsen the conflict between Peru and its creditors because it is not an isolated action.

The Peruvian foreign debt totals some $14 billion, of which $12 billion is owed by the public sector. [passage omitted]

On 15 August Peru is due to pay $180 million in overdue obligations to the IMF. Peru owes approximately $800 million to the IMF. If the country does not repay these obligations, it can be declared "ineligible" to receive new loans. Even though Central Reserve Bank President Lionel Figueroa a few days ago said that such a decision will have no major effect on the country, economist Ismael Leon today wrote in the newspaper LA REPUBLICA that loans totaling $1 billion are at stake. These loans could be granted by the IDB and the World Bank over the next 5 years.

Deputy Economy Minister Gustavo Saberbein and other government officials have reiterated that Peru will only pay within its capabilities, but did not mention the amount that will be repaid. Everything seems to indicate that negotiations are under way to prevent the IMF from declaring the country ineligible to receive new loans and to prevent Peru from becoming isolated from the international financial system.

In April Alan Garcia's government convinced the IMF to accept $35 million instead of the total overdue amount. This was the first time that a country whose reserves stood at approximately $1.4 billion was granted such a concession by the IMF.

Financial circles believe that the decision by the IMF will set the pace for the other creditors, and there are fears that if the country is declared "ineligible," not only will it lose the IDB and World Bank loans, but also the short-term loans to which it still has access. In September Peru is expected to propose a repayment schedule to its private creditors at the Paris Club, to whom it owes some $3.2 billion.

It has been learned that Peru will ask for at least 20 years to repay its debt, with a grace period of at least 5 years starting in 1987, and a substantial reduction to approximately 3 percent of the interest. The main problem involved in restrictions on the repayment of the debt and on the remittance of currency abroad is that they can cut both ways: during an initial phase they will reactivate industry, but industry is in turn totally dependent on foreign equipment and technology, which require the investment of many dollars.

FRG ECONOMIC COOPERATION MINISTER ARRIVES

PY041638 Paris AFP in Spanish 1638 GMT 3 Aug 86

[Text] Lima, 3 Aug (AFP) -- FRG Economic Cooperation Minister Jurgen Warnke today arrived in Lima from Caracas on an official 3-day visit. In Lima the FRG minister will end the tour that he is making through some South American countries.

Warnke's agenda includes a courtesy visit to President Alan Garcia and meetings with Justice Minister Carlos Blancas, Labor Minister Orestes Rodriguez, and other authorities.

An FRG Embassy source has stated that Warnke will discuss issues involving bilateral cooperation, the foreign debt, and trade, among other issues, with Peruvian officials within the framework of the very cordial relations between the two nations.

It has also been announced that next Wednesday the FRG minister will visit the city of Trujillo, the capital of La Libertad Department, 542 km north of Lima, where the FRG is cooperating in an irrigation project.

Announces More Cooperation

PY050208 Paris AFP in Spanish 2202 GMT 4 Aug 86

[Text] Lima, 4 Aug (AFP) -- President Alan Garcia today met with Juergen Warnke, the FRG's minister for economic cooperation, who arrived in Lima on 3 August as part of a tour of several Latin American countries.

Javier Tantalean, chief of the National Planning Institute, who participated in the meeting, stated that Warnke announced that the FRG will continue to grant Peru economic cooperation amounting to approximately DM70 million every year.

Tantalean also stated that of this sum, DM50 million is in the form of loans that will have a (?30)-year deadline, with an 8- or 10-year grace period and an interest rate of 3 percent. The rest will be nonreimbursable aid in the form of technical cooperation.

Tantalean also stressed that the cooperation that has been announced demonstrates the FRG's confidence in President Alan Garcia's government and he indicated that part of the cooperation will be used to continue with the Jequetepeque-Zana hydroelectric project in northern Peru.

ROK MINISTER ARRIVES FOR 2-DAY OFFICIAL VISIT

PY010350 Paris AFP in Spanish 0202 GMT 1 Aug 86

[Text] Lima, 31 Jul (AFP) -- ROK Deputy Prime Minister and Planning Minister Kim Man-je today arrived in Lima for an official visit that will last until 2 August.

During his stay, and in his position as special envoy of the ROK president, Kim will hold meetings with government officials and congressmen.

UPDATE OF TERRORIST ACTIONS IN HIGHLANDS

PY042302 Paris AFP in Spanish 1731 GMT 4 Aug 86

[Text] Lima, 4 Aug (AFP) -- The police reported today that Shining Path columns have beheaded four vigilantes and murdered a provincial governor, a member of the ruling APRA Party [American Popular Revolutionary Alliance], and that two members of the Army were wounded by alleged subversives on the outskirts of Lima.

Meanwhile, in Puno, in the southeastern Andes, terrorists blew up the 90-meter antenna of the Catholic radio Onda Azul. The region was without electricity or telephone service for some hours on 3 August because the antenna fell on the main electricity and telephone lines. Arturo Bernal, APRA's candidate for mayor of San Roman, and four of his companions have now been missing for 4 days.

Approximately 60 guerrillas, armed with submachineguns and explosives, on 2 August attacked the community of Gentabamba, in the Ayacucho province of La Mar, and surprised four members of the campesinos' vigilante organization, a self-defense group, tying them up against tree trunks. They then tortured them with machetes and beheaded them.

The provincial governor of the community of Juli Egusquiza has reported that the heads of the victims were hung from trees. Egusquiza has demanded the capture and punishment of the criminals, who fled to higher parts of the Andes.

On 3 August another five subversives murdered Gregorio Guispe, 36 provincial governor of Vischongo (Ayacucho). He was shot three times, according to the source.

Sergeant Hugo Urbano, of the Army's Air Transport Division, and soldier Estanislao Maximo, of the artillery, on 3 August received bullet wounds during an alleged confrontation with a terrorist group in the shantytown of Tablada de Lurin, located on the outskirts of Lima.

Despite the strict secrecy regarding this incident, it has been learned that the soldiers are in the military hospital. Meanwhile, three alleged members of the PIP [Peruvian Investigative Police] on 3 August shot Civil Guard Sergeant Antonio Montoya during a confusing incident that took place during the hours of the curfew. This case is also being investigated.

Reports from Arequipa, 1,000 km south of here, indicate that during the past 3 days approximately 70 campesino families have arrived in this city from Puno, 1,314 km southeast of Lima. They arrived in seven trucks and sought security from the continuous subversive actions.

Mariano Mamani Sutira, the group's spokesman, stated that the exodus of campesinos from Puno will continue, especially from the regions of Melgar and Azangaro, where armed groups destroy the crops and steal the cattle, leaving the campesinos in absolute poverty.

An official from Arequipa has indicated that the social problem is extending, and he recalled that more than 80 percent of the population of the shantytowns that encircle the country's second most important city have come from Puno.

EX-COLONELS ARRESTED FOR CRITICIZING COMMAND

PY042205 Paris AFP in Spanish 1406 GMT 4 Aug 86

[Text] Montevideo, 4 August (AFP) -- Defense Minister Juan Chiraino today confirmed the arrest of two retired colonels who were promoting a public declaration to reaffirm military honor.

According to the minister, the two officers will receive appropriate punishment for 15 days by order of Army Commander in Chief Lieutenant General Hugo Medina.

According to Chiarino, the colonels' initiative implied a veiled accusation against the commanders, who, in their opinion, failed to defend military honor.

The minister also said that the Army commander is now studying the situation of a magazine published by the Military Center, the largest social institution of the military.

The publication called EL SOLDADO, in its latest issue, criticized Uruguayan communists and stated that the military should speak up and call attention to topics related to national defense.

EL SOLDADO also said that the former members of the military junta that governed Argentina, Jorge Videla and Emilio Massera, were victims of Marxist revenge when they were sentenced last December to life imprisonment by the civilian courts of that country.

The magazine accused Argentine President Raul Alfonsin and public prosecutor Julio Strassera of acting in a spirit of revenge on that occasion.

Chiarino said that the malicious and absurd mentioning of Alfonsin was most unfortunate.

He added that, in his opinion, the statement was made by some ill-humored military newspaperman, who just decided to say things that are absolutely unnecessary and unsuitable.

The minister added that the Armed Forces feel cornered because there is an effort to annoy them and pass adverse judgment on the military.

In view of this situation many military men react in a way they should not, instead of understanding the difficult times we are going through, the minister said.

At the present time the political forces in Uruguay are trying to find a solution to end the controversy over human rights violations during the last military regime. The minister said that all measures that bring a little peace, calm judgment, and even justice will be welcome.

Chiarino did not say what procedures would be used, but stressed the need for consensus to find a solution which, if it is not satisfactory to all, would at least cause the least possible resistance.

LEADERS ARRIVE FOR GROUP OF 6 MEETING

Sweden's Carlsson Arrives

FL042238 Mexico City NOTIMEX in Spanish 2137 GMT 4 Aug 86

[By special correspondents Eduardo Gonzales and Rosana Fuentes]

[Excerpt] Ixtapa-Zihuatanejo, Mexico, 4 Aug (NOTIMEX) -- Swedish Prime Minister Ingvar Carlssson is the first Group of Six leader to arrive for the peace and disarmament summit. He arrived at the Ixtapa-Zihuatanejo International Airport at 1240. His flight from Sweden included stops in New York and Mexico City.

The leader of the Swedish Government is accompanied by Swedish Ambassador to Mexico David Ingvar (Wirmark), press representative (Kuell Jolme), and Mexican Ambassador to Sweden Andre Rozenthal and his six-member delegation. [passage omitted]

Greek PM Arrives, Greets Castro

NC041945 Athens Domestic Service in Greek 1800 GMT 4 Aug 86

[Text] Greek Prime Minister Andreas Papandreou held his first meeting with Mexican President Miguel de la Madrid this afternoon, opening his official visit to Mexico. He arrived in the country today after making a stopover in the Azores.

Upon leaving the Azores, Papandreou expressed his thanks to the Portuguese Government and to President Mario Soares. He reiterated his wish for continued close and firm cooperation between the two countries to consolidate regional peace and security. As his plane flew toward Mexico, Papandreou sent a message to Cuban leader Fidel Castro offering warm greetings and sincere wishes to the Cuban leader and the friendly Cuban people for happiness, prosperity, and progress.

Papandreou, De la Madrid Talk

FL042041 Mexico City NOTIMEX in Spanish 1801 GMT 4 Aug 86

[Excerpts] Mexico City, 4 Aug (NOTIMEX) -- Greek Prime Minister Andreas Papandreou met today in the national palace with Mexican President Miguel de la Madrid.

Papandreou arrived in Mexico City yesterday for an official 3-day visit prior to the Group of 6 meeting on peace and disarmament which will be held on Wednesday and Thursday [6 and 7 August] in Ixtapa, Guanajuato.

The Greek Prime Minister arrived at the national palace at 1000 accompanied by a 14-member delegation and his wife (Margarita). There he met with the Mexican chief of state.

The meeting between the two statesmen was friendly and without ceremonies or speeches. They immediately moved to the presidential office to exchange gifts and begin the first round of private conversations.

During the approximately 45-minute meeting, De la Madrid and Papandreou discussed bilateral relations. [passage omitted]

The Mexican president will bestow the Order of the Aztec Eagle on the Greek prime minister, and Papandreou will respond with the Great Cross of the Order of the Savior (Orden del Salvador).

PETRICIOLI ON IMF AGREEMENTS, WORLD BANK CREDITS

FL311530 Mexico City NOTIMEX in Spanish 1326 GMT 31 Jul 86

[Excerpts] Mexico City, 31 Jul (NOTIMEX) -- Finance and Public Credit Secretary Gustavo Petricioli said yesterday [30 July] there will be a substantial increase of public and private investments and assured that the agreements reached with the IMF in no way will cause greater budgetary cuts.

Interviewed at the end of a ceremony marking the 49th anniversary of the Finance Secretariat's National Workers Union, Petricioli said the IMF agreements will not bring about a recession because they are part of the presidential program.

Shortly after, while heading a meeting of the National Bank of Rural Credit Consultation Council, Petricioli reported that Mexico will ask the World Bank for a $500-million credit line, which will mainly be used for rural development. [passage omitted]

WORKERS' UNION SEES REVOLUTION IN DANGER

PA020104 Mexico City EL DIA in Spanish 25 Jul 86 p 7

[Text] CTM [Confederation of Mexican Workers] leader Fidel Velasquez demanded yesterday that democracy be perfected without making concessions to the right. He also warned that the revolution is in danger, due to the efforts to create a local congress; turn the Federal District into another state, and increase the number of legislators in the Chamber of Deputies and Senate.

At a news conference, Velasquez said that if the minorities' presence in the legislative bodies is augmented, the doors will be opened to the reactionary party (PAN) [National Action Party], whose leaders are allied with the political clergy, the business sector, and the most retrogressive forces in the United States.

Shortly before presenting reporters with a document defining the CTM position on electoral reform, which will be submitted to Government secretary Manuel Bartlett, Velasquez asked the leftist parties to join the CTM in preventing the advance of the right as the PAN is in position to take advantage of the reform.

He said that given the current economic situation, it is not possible to spend more to support the legislative branch when the government has insufficient funds to meet its commitments. He said it is feared that the PRI might lose its majority position by granting concessions to its enemies. He also noted that although differences exist within the PRI, it is possible to disagree. He then said that the CTM will try to bring about the necessary reforms so the PRI can consolidate its role as a spokesman for the revolution and its position as the majority party.

Velasquez states in the CTM document that it is essential to perfect our constitutional separation of powers, to strengthen the legislative branch since a vigorous executive branch is completely compatible with a legislative branch that fully carries out its functions.

The CTM wants the Federal District to remain the seat of the government, as the citizens who live in the capital of the republic have at their disposal the instruments required to express their actions and viewpoints. The Consultative Council should become a body for consultation and be given greater responsibilities, its members should be elected directly by the citizens, and they should be empowered to propose bills and regulations for the best administration of the Federal District.

BRIEFS

DRUG TRAFFICKERS ARRESTED -- Interpol agents have arrested two local municipal police agents who were involved in cocaine trafficking and offered protection to well-known traffickers in Culiacan. Alfredo Feliz Chaidez and Eduardo Lopez Nunez were arrested while carrying the drugs and three automatic machineguns, which were confiscated along with a 1985 Bronco station wagon and a new Volkswagen; the vehicles had been reported stolen. [Summary] [Mexico City EL UNIVERSAL in Spanish 28 Jul 86 p 1-B PA]

MARIJUANA PLANTATIONS DESTROYED -- Mexican Army soldiers of the 16th Military Zone on 27 July destroyed a marijuana plantation in Querecuaro, Guanajuato, and arrested seven people involved in drug trafficking. The soldiers destroyed 1.5 hectares planted with marijuana in Guanajuato, while the police reported it had destroyed 11 marijuana plantations in El Mermejo, Xalisco. [Summary] [Mexico City EL NACIONAL in Spanish 28 Jul 86 p 7 PA]

DRUG CAMPAIGN SUMMARIZED -- National Defense Secretary Juan Arevalo Gardoqui has reported that during the present administration, the Mexican Army has destroyed more than 407,000 plantations of poppy seed and marijuana located on 47,795 hectares of the national territory. He added that in the actions of the permanent campaign against drug traffic, 14,200 have been arrested and 142 clandestine airstrips have been destroyed. In this effort of the Mexican Government 25,000 soldiers and 1,225 officers participated in the operations. The Mexican Army has suffered 381 casualties. [Summary] [Mexico City EL NACIONAL in Spanish 30 Jul 86 p 3 PA]

COLUMNIST TERMS HELMS' RECORD 'ABERRATION'

PA041641 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Aug 86 p A 2

[By Luis Manuel Martinez]

[Excerpts] The political record of Republican Senator for North Carolina Jesse Helms is a most overwhelming aberration in Washington's political circles. Helms finances his campaigns with donations from the country's most important tobacco firms. In exchange for that support he has dedicated himself to struggling to include huge subsidies for tobacco farmers in the U.S. budget. [passage omitted]

Helms' behavior is disturbing and highly combative because he provokes crises between Washington and the governments of Latin America. [passage omitted]

What initially appeared as a concern by Helms for democracy in Panama soon began to take another shape with the beginning of debates that provoked intemperate statements from him. On one occasion he said that "the United States must recover control of the Canal." Later he acknowledged that his attacks on General Manuel Antonio Noriega concern United States' retention of the canal.

Multi-faceted which includes disinformation, economic aggression aimed at eliminating banking system secrecy, and systematic attacks that have included the questioning of respect shown for human rights in Panama has, without a doubt, its most important spokesman in Jesse Helms.

The State Department has repeatedly deprived Helms of authority, but he must serve big consortiums by attacking Panama, proudly supporting apartheid, and supporting the repression imposed by Pinochet as basic elements of U.S. foreign policy.

The virulent anti-Panamaian campaign apparently has become a generalized activity among some Washington sectors. In the meantime, there is no sign of a prompt solution to the Salvadoran crisis or of a negotiated solution in Nicaragua.

The Reagan administration has been paralyzed by an ambivalent position that delays and complicates problems. [passage omitted]

ASSEMBLY PRESIDENT ACCUSES OFFICIALS, BARLETTA

PA010018 Panama City LA PRENSA in Spanish 29 Jul 86 p 1

[Text] In a news conference, Camilo Gozaine, president of the Legislative Assembly, has made serious charges against former President Nicolas Ardito Barletta. "Former President Nicky Barletta is one of the biggest sponsors of anti-patriotic Panamanians. Those things which he did not defend as a man here in Panama, he is bemoaning like a woman in U.S. lobbies," Gozaine said.

Gozaine made these claims in the Blue Room of the Legislative Assembly yesterday morning where he invited the national and foreign news media to hear details of his tour to several states in the United States.

Adding further bitter accusations against former President Barletta, Camilo Gozaine said that Barletta was selling out the country and plotting against the government, the fatherland, the Defense Forces, and General Manuel Antonio Noriega. To back up his accusations, Gozaine said that former President Barletta sends letters monthly to U.S. Secretary of State George Shultz regarding the situation in Panama. They all contain adverse and unfavorable remarks. It seems he had other ideas when he was elected president." "He forgot that he is a Panamanian, but luckily, we found out about it in time," Gozaine said. Gozaine said that in those letters, Barletta reported a series of wrongdoings within the government of Eric Arturo Delvalle and the Panama Defense Forces. He added that by using this method of misinformation, former President Ardito Barletta was showing his bitterness and his desire to become a political leader. Gozaine said that the misinformation campaign against Noriega, which was being conducted through U.S. newspapers, was financed by Panamanian opposition sectors headed by Roberto Eisenmann. He said that Eisenmann's famous remarks that they want to kill him give the government a new responsibility. He must be protected from the mafia to which he is tied, so they do not kill him and so the opposition does not go around saying that the Defense Forces killed him. "I am more concerned about that fact because Eisenmann is not afraid of being sentenced here; he is more afraid of the people he joined to accuse Noriega. He is afraid of those who have him by the neck, and if he takes a step backward he knows what will happen to him. We have to take care of this man...we have to take care of him so nothing happens to him!"

He also accused Legislator Mayin Correa of the Labor Party of using the radio and press media of Florida to plot against the fatherland and to distort the actual Panamanian situation. As an example of this, he mentioned the false report about the alleged visit to Panama of Cuban President Fidel Castro. "We also know that millions of dollars have been spent for the continuation of a campaign to destroy General Manuel Antonio Noriega's image as commander-in-chief of Panama's Defense Forces," Gozaine said.

The assembly president condemned the "ostrich" attitude assumed by David Samudio, Panamanian ambassador to the United Nations. "When problems began to appear, Samudio went to Switzerland, and Leonardo Kam had to take care of the Panamanian delegation," Gozaine said.

"The Foreign Ministry is to blame," Gozaine said. He also disagreed with the fact that the Foreign Ministry did not translate the resolution which supported General Noriega, defended Panama's sovereignty, and condemned bad Panamanians. He disagreed, as well, that the Foreign Ministry did not distribute it in the United States and throughout the world so people could know about the position of the Legislative Assembly and of the Panamanian people.

He later said that bad Panamanians had offered to let the United States establish military bases throughout the country and retain control of the Panama Canal after 31 December 1999 if the United States helps them win the elections in 1989.

Asked by LA PRENSA if he felt that General Manuel Antonio Noriega could be a presidential candidate in 1989, Camilo Gozaine said he believed Noriega could be a presidential candidate because General Noriega could strengthen the democratic process in Panama. Gozaine said that he would not think twice about supporting Noriega as a presidential candidate.

"General Noriega has all the necessary qualities to lead this country. He has been the equilibrium here, because as a military man he has told the United States that there will not be any additional U.S. bases in Panama; the current bases will be gone by the year 2000," Gozaine said.

DELVALLE ON BANKING SECRECY, CURRENCY SYSTEM

PA020028 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Jul 86 pp a-1, a-16

[Text] His Excellency President Eric Arturo Delvalle said last night during a dinner which the National Banking Commission offered in his honor to celebrate the commission's 16th anniversary that "the banking center which is now an integral part of our economic system has a fundamental role to play in the safeguarding of the peace, liberty, and progress necessary for increasingly efficient and growth-oriented banking activities."

The president said that Panama's banking system is composed of financial institutions recognized both nationally and internationally. He noted that the institutions of 30 countries in addition to a growing group of banks with Panamanian capital are represented in the banking system of Panama.

One important aspect cited by the president was that of the monetary system, which has particular characteristics significant for our economic development. The utilization of the dollar as a legal currency in Panama, the facilities for carrying out operations in any other currency -- without restrictions on exchange or on the transferring of money abroad -- and the certainty that foreign deposits will not be affected by political measures or by the freezings of assets, further strengthen our development as a services country, the president said.

Delvalle affirmed: "We Panamanians have always agreed that the traditional conditions and facilities provided by our monetary system should be safeguarded. Because of this, and based on what is established in our Constitution, my government has never considered issuing paper currency." Delvalle noted, in front of the large and distinguished audience, that bank confidentiality is intrinsic to our legal institutions and was not just born out of a simple article included in some legal text. "Confidentiality," he said, "was born out of and grows with the republic and is intrinsic to all our institutions." He noted that confidentiality implies the obligation of proper utilization; otherwise limits would have to be placed on it by applying the special mechanisms provided in our laws for the investigation and prosecution of illegal conduct.

The president knows very well that the talks his government has held with representatives of the United States on strengthening the ties of mutual cooperation to curb financial activities related to the illegal drug traffic have created concern in banking and legal sectors and in the community in general. But those conversations were the most suitable opportunity to "reiterate our firm decision to maintain and protect the institutions of our legal and banking systems," he said. He also stated: "The illegal traffic of drugs is shameful, and all its manifestations deserve our condemnation and rejection. My government is struggling to forcefully curb this damnable scourge. We are struggling tirelessly, and we will continue doing all that is necessary to strengthen our struggle against that activity."

Delvalle told his audience that a draft on the National Banking Commission rules has been prepared and is being studied by the commission members. He said that many initiatives from the banking sector have received official support and have become a reality as a result of a united effort. Now they are no longer just studies and plans, but are national laws and regulations that day by day accomplish the task for which they were created. Some of these laws are: the Trust Law, the Decree for the Exercise of Trusteeship Business, the Joint Accounts Law, the Elimination of the Tax on Heirs, the Liberalization of Banking Hours, and the Increase of Interest on Small-Account Deposits.

The president said that the Panamanian banking center has been the object of a smear campaign which does not at all portray the behavior of the bankers or our legal situation.

Delvalle called "for united efforts by the government and the banking community to safeguard the image of professionalism, integrity, seriousness, and efficiency for which we have made efforts for so many years. [quotation marks as published]

LAWYERS SEE USAID AS VIOLATING SOVEREIGNTY

PA032334 Panama City LA REPUBLICA in Spanish 3 Aug 86 pp 1, 8-a

[Text] Panamanian lawyers are greatly concerned over the manner in which USAID, directed by Ronald Levin, has attempted to involve itself in Panama's administration of justice, in open violation of Panamanian sovereignty.

After the first warning given by Robledo Landero, a student of law and political science, who reported that USAID had offended the country by attempting to establish guidelines for the administration of justice in Panama, all of the legal sectors and groups expressed their dissatisfaction over this attack on the country's self-determination and on the management of its laws.

After in-depth consultations with lawyers in Colon, Rafael Solano said that Ronald Levin's attitude has been totally rejected by the lawyers because it interferes with the judicial branch's sovereignty and jurisdiction.

Meanwhile, lawyer Pedro Brin Martinez, a legislator from Darien, said that USAID's unscientific policy has degraded his province.

Likewise, Drs Dilio Arcia, Romulo Escobar Bethancourt, and Luis de Leon Arias, as well as Luis Carlos Cabeza and Vicente Arosemena Chang, have publicly rejected USAID, which has specific functions to fulfill in Panama.

COSTA RICA

FOREIGN MINISTER MADRIGAL SPEAKS AT OAS

PA311600 San Jose Domestic Service in Spanish 2100 GMT 30 Jul 86

[Speech by Foreign Minister Rodrigo Madrigal Nieto to the OAS General Assembly in Washington, D.C. -- live; broadcast in progress]

[Text] ...for the opportunity that the OAS Permanent Council gives me to address you.

Representing Costa Rica as foreign minister for the first time has given me the opportunity to see for myself that you live under that fraternal spirit that gave birth to the OAS. In the present circumstances it is appropriate to consolidate and strengthen this institution destined to fulfill high-level functions in favor of the protection of peace and security in the Latin American nations.

Mr President, Ambassadors, Mr General Secretary, I bring special and respectful greetings from Cost Rican President Oscar Arias Sanchez to this distinguished organization and its illustrious representatives.

I come to the OAS with a message of hope. I am here convinced that with the fraternal cooperation of democracies it is still possible for freedom to triumph over the threats of tyranny. It is still possible for justice to triumph over sinister illegality.

Costa Rica comes to this forum with the sincere humility of a nation where freedom, justice, and democracy become intermingled to form a long course of historic harmony. Costa Rica, a small country located between two large continents, will soon celebrate 100 years of pluralist democracy. This event has a special meaning, because Latin America is living a time of democratic revival. We are very pleased to see the political achievements and stability that characterize most of the Caribbean sister nations and the return of democracy throughout America, particularly because these events will lead to happier days for the peoples of the continent.

We, the inheritors of Bolivar's heroic liberation deeds, the sons of these lands, cannot help but be pleased with the political advances made by Argentina, Brazil, Guatemala, and Uruguay, whose splendid victories in the field of human rights and electoral sovereignty, will hopefully bear fruits in those countries where the splendor of freedom does not glow yet.

However, we are very concerned over and firmly reject the recurrent attacks that a well-organized international campaign promotes against the enormous efforts aimed at consolidating pluralist, representative democracy in the entire hemisphere. We are also extremely concerned about the increase in social and economic problems in this part of the world, because they augur even more difficult times for the stability of democracy and the maintenance of freedom. The economic crisis in the Latin American countries has no equivalent in history. [Words indistinct] once we talk about the problem of the foreign debt, which overwhelms us.

During the days of dollar abundance and high interest rates, the climate was suitable for international banks to facilitate large amounts of money and for governments to be ready to spend them, rightly or wrongly, each of them following the dictates of its conscience.

Today, the payment of those debts cannot lead the debtors to bankruptcy or sink them in the chaos of [words indistinct], not only because a human sense of economy rejects such a possibility, but also because -- to mention the most obvious and important reason -- that disaster would also strike the creditors.

In Latin America, the difficult fulfillment of those financial obligations is linked to the very firm struggle that we should carry out against traditional structures of injustice and oppression, the seriousness of which has provoked a socially explosive situation.

At the present time, to those serious problems, which are already tragic in our countries, we must add the [words indistinct] of drug trafficking, the source of immorality and social problems.

Regarding this particular topic, Costa Rica wants to urge the American governments to join efforts within the OAS framework to wage an effective and overall battle against the production and commercial sale of (?hallucinatory) drugs. I also avail myself of this opportunity to reassert Costa Rica's absolute and unconditional support for the work being carried out by the OAS against drug trafficking.

The latest conference in Rio de Janeiro unequivocally proved the willingness of the member-states to jointly participate in the struggle, which should be waged by all those who are proud of their honesty and possessed with the highest values of Christian morality. Furthermore, we also think it is necessary to urgently form a democratic alliance to develop democracy. It is quite true that [words indistinct]. We believe that since nuclear power has been unleashed on the battlefield, modern man has no other choice but to form an ecumenical world government which is the result of an agreement, reflects the free will of nations, and has the intention of safeguarding our cultural values.

Mr President, distinguished representatives, without delving too far into our ideals we must state that we are firmly convinced that peace will be effectively attained only if it is based on the structure of a pluralist democracy. This general rule takes on dramatic significance within the Central American context. These five small nations -- intimately united by their geography and history and currently engaged in technological and economic efforts to achieve development -- would see all their possibilities of achieving peace and development destroyed if a Marxist regime that defies history, attacks the church, sacrifices freedoms, and hinders all types of efficient and positive work is established in their midst.

We insistently continue to advocate Costa Rica's example, because it is a country that does not suffer the scourge of starvation precisely because it is not affected by national crime, much less by the scourge of a civil war.

Mr President, please allow us to add -- at a time when the refugee problem has created an anguishing situation that will have grave consequences -- that not one single Costa Rican is part of the legions that wander the area searching for peace, employment, and justice. However, we have had to receive hundreds of thousands of these refugees who migrate to our country, sick, hungry, and horrified by the future that awaits them if they remain in their homeland -- which is far from being the worker and peasant paradise that is described by the propaganda and [words indistinct].

Consequently, we believe that peace cannot be achieved without social justice because it would involve the installation of regimes that violate human rights in the broadest sense. This was generously stated by the OAS in the American Declaration of Human Rights and Duties. Costa Rica's peace and its pluralist democracy are the result of a national consensus concerning social justice and liberty.

Mr President, we believe that national harmony is only possible if it takes place in an atmosphere that favors people and societies alike. Thus, in the last century we developed social institutions with the state's participation. These were based on a general education system that has been free and mandatory since 1879.

Cost Rica does not refute the argument of those who insist that violence should become a sine qua non condition to the progress of majorities, simply because it is not aware of the ire of the deprived sectors — whom His Holiness Pope John Paul II called "my dearest sons" during his recent visit to Colombia. No, quite the contrary, we do it precisely because we believe in the dignity of human beings, in the unwaivable responsibility to defend this dignity, and we strongly reject those who, in the name of peace, call for arms; who in the name of reconciliation, promote distrust among brethen; who in the name of international harmony insult their neighbors and lie to the world.

Mr President, Costa Rica does not brag when it strongly defends what it believes is evidence. This is not a propagandistic trick. For the sake of pluralist democracy, Costa Rica has honestly embraced the highest and most cherised values of peace and liberty [words indistinct] respect for sovereignty, as stated at the ballot boxes. Given the external conflicts, if we turn our neutrality into our strength and alter ego, and the pen and the plow into our arsenal, it is done by conviction, not because someone has imposed this decision on us.

Back in 1955, the illustrious president of Costa Rica, Juan Rafael Mora -- who is very dear in the memory of this orgnaization in view of the presence of [words indistinct] in the galleries [words indistinct] of the OAS -- said: Peace is our glory, I want nothing else for Coast Rica. It is more solid than brilliant. Glory preserves everything and destroys nothing. Glory ensures to the fatherland all of its arms, and all of its support for the family, and all of its resources for the government.

Perhaps that authentic and sincere observance of democracy is the reason why Cost Rica has been respected among all nations, and why it can look in all directions without any resentment. Perhaps an analysis of the relations of our nations with the United States should be made in these organizations, and sometimes it entails strong arguments. However, that is not the case with us because we have received only respect and consideration throughout many years. With the United States, we maintain sincere friendship, similar to the one we have with all the nations with which we share the principles of democracy and freedom.

We are allies in the cause of democracy with the [word indistinct] and the dignity that is proper of friends who are respectful of each other. It is not that differences do not arise among our governments, but we solve these through dialogue, as is proper for those who have identified themselves in the struggle for the (?main) cause of man. Mssrs Representatives, it is with this purpose in mind, free of prejudice and rancor, that Costa Rica is here before you to advocate all the most noble causes that were the goals of Bolivar, Jefferson, and Marti; of [name indistinct], San Martin, and our Central American forefathers.

In a very simple manner, in the most pure Latin American tradition, we reiterate our faith in the ideals that have made this continent a great one and that now become very valid in view of the threatening problems. We ratify our commitments to unity and harmony, to peace and pluralism, to justice and to human and overall development, all of which are the results of a tradition of freedom that resulted from the never-ending sources of knowledge.

These pillars nourish this magnificent democratic revolution in Latin America, which has some of its most illustrious men ruling its countries in an extraordinary manner [words indistinct].

Within this framework of ideas, for 3 long years we have supported the efforts of the Contadora Group. We believe in Latin America, and we recognize the brave and worthy efforts that the four brother countries of this group have devoted to the cause of peace and cooperation in Central America, as well as the valuable support that the Lima Group has given at all times. As we have said in another document, the validity of the Contadora Document would not represent any change for Costa Rican life. [Words indistinct] has been a natural way of living for many years in our country. However, we are aware that as long as democracy is not guaranteed throughout the entire area, we would not see even the faintest light of the peace that we want for all of Central America and [words indistinct] the active participation of [words indistinct] promoted by that group of brotherly nations.

However, we have recently [words indistinct] with frankness not to endorse -- not even in a tacit manner -- that double language of those who promise something in a document and then act in an opposite manner. We have also called your attention in a friendly manner to the fact that it is not permitted to tolerate negotiations for an indefinite period of time to give true context to the document. It would be like the potter who becomes a slave to his clay [words indistinct].

Messrs Ambassadors, at this moment, the [words indistinct] the work of democracy in Central America is truly urgent. Faithfully interpreting the history of the continent that is rich in positive examples of cooperation with other regions of the world, Costa Rica has led a movement that is recognized by the European democracies, nations with which Latin America shares, not only cultural ties of great wealth, but also a common destiny that loves freedom.

There have been many achievements during the conquest [of the hemisphere]. Let us recall only one, an example. When answering a note from the Colombian Government in which [words indistinct] he explained how his pages from the constitution of Rio Negro that abolished capital punishment back in 1863 had exerted an influence and said: I have devoted my life to progress and the starting point of progress in earth is the inviolability of human life. This principle [word indistinct] the end of war and the abolition of [words indistinct]. The end of war and the abolition of [words indistinct] are the elimination of the sword. Once the word is eliminated, [words indistinct] are eliminated, as then there is no reason for being or means of [words indistinct].

The Republic of Colombia, he added, by abolishing capital punishment gives a very good example. This will give a [words indistinct] and will move as fast to glory and happiness.

The great path has been opened. Let America march, and Europe will follow.

These were the words of the great [words indistinct]. Inspired by such lofty thoughts, Costa Rica -- which also constitutionally outlawed the death penalty in 1872 and the Army in 1949 -- continued cultivating Europe's friendship, which was based upon our cultures. [Passage indistinct] the advantages of greater European participation in Central American problems, a more realistic participation, closer to the scene of the events, so that with its keen perception it could contribute to broadening the path suggested in the beatiful epistolary exchange cited earlier, and to implementing democracy on the isthmus.

Following this concept, in 1984 the Central American, EEC, and Contadora Group foreign ministers met in our capital for an open dialogue known as San Jose I.

This was a new and promising phase of cooperation between Western countries. Later meetings in Europe have reaffirmed this tendency toward brotherly rapprochement by contributing new ideas, new speakers, new perspectives, and broadening the relatively close limits of the negotiations that have taken place so far. Thus, the importance that Costa Rica attributes to this forum's third political and economic meeting to be held in Guatemala.

It is imperative to vividly revive the common underlying interest of the democracies of America and Europe in achieving total democratization in all Central American countries, and thus to create a big alliance that will exert fraternal pressure on those governments that, forswearing their initial promises, abuse democracy and violate the political and social rights of their people.

The economic and political dialogue is not sufficient by itself. We have insisted that dialogue is positive, but it should not be an endless dialogue in which no specific agreements are reached. Each extraordinary session of the assembly on cooperation for development extends traditional space and allows us to have a thorough discussion of this subject. The nations that have achieved greater scientific and technological development have an obligation to meet, not only through ideas, but also in the political and diplomatic fields. It is precisely due to their privileged economic positions that they should increase their contributions at the various levels of the international cooperation. Nevertheless, independently from that, we would like to listen to the voice of Europe -- as warm as Lafayette's response to Washington at the crucial moment -- turning the diplomatic negotiations and the economic and political cooperation into a source of fraternal unity for the benefit of democracy.

Mr President, Ambassadors, Secretary General, we have presented all these facts to you as a testimony of the deep interest of Costa Rica in propitiating another fruitful stage in the relations of the Western democracies. We have also done this because we believe that this democratic alliance would provide a cooperation that is full of [words indistinct] which would be supported by the wise warning of Juarez on respect for other people's rights and the peace.

We could say here that within this favorable scheme, Costa Rica forsees for all our people the destiny that they deserve as sons of this continent, called to be great in history because it knew how to forge the indissoluble alliance of freedom and justice, which are the only foundations of peace.

BISMARCK CARBALLO ON FSLN ACTIONS AGAINST PRIESTS

PA021852 San Jose Radio Reloj in Spanish 0100 GMT 2 Aug 86

[Text] A priest expelled from Nicaragua has charged that that government is conducting a campaign to legalize abortion. Msgr Bismarck Carballo charged that FSLN officials are conducting a campaign to legalize abortion. Msgr Carballo was expelled from Nicaragua together with Msgr Pablo Antonio Vega. At a press conference held this afternoon in the San Jose archbishop's palace, he said that regrettably the church in Nicaragua has no news media to guide the public against this policy, which assails human life.

Cardinal Miguel Obando y Bravo has received threats. Although he has a private telephone, Cardinal Miguel Obando y Bravo has received threats and insults through anonymous telephone calls, Msgr Bismarck Carballo said. He said that his expulsion and that of Bishop Vega from Nicaragua are seen as actions by the Sandinist government to try to eliminate Mgsr Obando y Bravo. Since he feels that he is entitled to return to his fatherland, he said that he has continued asking the FSLN to allow him to.

Msgr Carballo said: I do not think that I have to retract my statements as the Sandinist government officials are demanding to let me return to my country. He reiterated that the FSLN charges are false because he as well as Bishop Vega have never campaigned in favor of the Reagan administration's $100 million in aid to the counterrevolution. Msgr Carballo said that they have spoken clearly and concisely on the Catholic Church's hardships in Nicaragua and in defense of human rights. Bishop Vega did not come because he is taking care of duties assigned by the pope. Bishop Pablo Antonio Vega did not come to San Jose for the 2 August religious feast because he has to take care of some matters regarding Central America in Rome, at the order of His Holiness John Paul II. Meanwhile, as was reported yesterday, Cardinal Miguel Obando y Bravo did not accept an invitation by the San Jose Episcopal Conference lest the Sandinist government not allow him to return. However, Msgr Carballo said that the head of the Catholic Church in Nicaragua has scheduled a visit to El Salvador in August.

Nicaraguan exiles in Costa Rica participated in a pilgrimmage to Cartago. Msgr Carballo is in the country to participate in the pilgrimmage to Cartago by Nicaraguan exiles to pray to the Los Angeles Virgin for peace and liberty in Nicaragua. Nicaraguan Catholics said that his is not a political but rather a deeply religious activity. Meanwhile, as a precaution, the Costa Rican Government reinforced police protection outside the Nicaraguan Embassy in San Jose.

EL SALVADOR

VARGAS DISCUSSES BLANDON REMARKS ON UNIVERSITY

PA042300 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 4 Aug 86

[Text] We visited San Francisco Gotera in Morazan Department this past weekend and interviewed Colonel Mauricico Ernesto Vargas. We asked him about General Adolfo Blandon's remarks to a San Salvador newspaper to the effect that the university in San Salvador can become a refuge for terrorists again. Col Vargas said the following:

[Begin recording] I would like Gen Blandon's remarks to be interpreted objectively. He has not said that the university is communist or terrorist. Infiltration is the general strategy used with the masses. Infiltration occurs not only at the university but in the Armed Forces as well. Any possible controls should be put into operation. I do not think Gen Blandon meant that the university is defenseless. If order is not established, confusion and anarchy can prevail in the university. I have said a number of times that organizations, institutions, and people can be used. As I see it, Gen Blandon said that infiltration has occurred and continues to occur in the university, and that a general mass strategy is used there. [end recording]

Later, we moved on to a refugee camp in San Francisco Gotera. A resident told us that the Salvadoran Red Cross had departed. He asked us to appeal to this service institution to visit the reguee camps at San Francisco Gotera, which suffer many hardships.

COL VARGAS ON MORAZAN SITUATION, DIALOGUE

PA042237 San Salvador EL MUNDO in Spanish 2 Aug 86 p 1

[Excerpt] Colonel Mauricio Vargas, chief of Military Detachment No 4, which is headquartered at Morazan, today confirmed that the FMLN attacked Army positions at San Felipe, in Sociedad jurisdiction, yesterday.

The rebels killed three and wounded one member of the Cacahuatique Battalion. He also said that Army members killed two guerrillas and wounded several others.

In the latest transmission of the clandestine station Radio Venceremos, the guerrillas reported that they had killed 13 soldiers and wounded 6 and seized a .50-cal machine gun, 3 rifles, 8 grenades, knapsacks, and other military supplies.

Col Vargas said that the FMLN reports are Marxist propaganda. He also said that the "Heroes of Joateca" Operation has been successful and must be measured, not by the number of guerrillas killed, but by the benefits that this operation provides for the residents by protecting them properly so that they can develop their productive activities in peace. He said that the Army controls 26 Morazan municipalities, while the extremists temporarily control the rest.

Col Vargas said that as a result of this operation, peace and security are in the process of being achieved in Morazan and that the cultivation of the land and economic activities have increased during the past few weeks. Toward this purpose, problems related to cattle raising are being solved, among other things.

He denied that the FMLN has been successful, militarily speaking, and said that the FMLN's only ability is to terrorize the people indiscriminantly.

Regarding dialogue, Col Vargas said: "If we must speak of dialogue, we must say that for two people to understand each other as reasonable beings they must talk to each other. As a result of this, we will hold a dialogue. Then we only have to consider with whom we will talk. We must be very careful about the nature of our discussions because the FMLN is Marxist-Leninist oriented. They have acknowledged this themselves. This is their nature and not our own description of them. Shafik Handal ahs admitted to his communist ideology." Col Vargas also said: When two ideas oppose each other, they cancel each other out. We uphold democracy, while they uphold Marxism. This is why I think very little can be achieved by talking to these people. Political willingness must be demonstrated and a true path must be followed until every possible effort has been made. [passage omitted]

BLANDON SAYS ARMS FLOW FROM NICARAGUA CHECKED

PA050206 San Salvador EL DIARIO DE HOY in Spanish 3 Aug 86 pp 1, 45

[Text] General Adolfo Blandon, chairman of Salvadoran Armed Forces Joint Chiefs of Staff, has said that the Armed Forces have succeeded in substantially checking the flow of arms from Nicaragua for terrorist groups. He made these remarks during a breakfast briefing at EL DIARIO DE HOY on Friday morning.

Gen Blandon was accompanied by Colonels Rene Emilio Ponce and Carlos Araujo, both of the staff. Gen Blandon's briefing was attended by the newspaper's editors and executives. He said that the flow of arms for subversives has been controlled but not eliminated. He added that the subversives initially used aircraft. This system, however, was abandoned when the Costa Rican mercenary Julio Romero Talavera was captured after he crash landed in La Paz Department. Later, the subversives used boats that sailed through the Gulf of Fonseca. This has also been checked thanks to the U.S. Government cooperation. In view of this situation, Nicaragua sends weapons via Honduras, in trailers and other vehicles, but on a smaller scale.

Subversives also use the refugee camps in Honduran territory near the border with El Salvador, particularly Colomoncagua and Mesa Grande, for this purpose.

Blandon also said that the Armed Forces can defeat the terrorists, yet he added that the current war is more than military in nature. For this reason, the "United To Rebuild" plan has been put into operation. In this plan, the participation of all the productive sectors is very important. He pointed out that in view of the subversives' inability to confront the Army, the former have declared war on the people, and this is why they bring down pylons and destroy bridges, etc.

Blandon said further that this is why the unity of all Salvadorans, regardless of their political leanings, is important. He asserted that not even the world's largest armies can win a war with a stomachache. He recalled the cases of the shah of Iran and of Vietnam.

As for dialogue, Col Blandon said that the Armed Forces will never accept the integration of the terrorist groups into this institution. In addition, he said that military commanders have carte blanche to do what must be done at the front. As for the subversives' actions in the western part of the country, where the ERP [People's Revolutionary Army] has deployed some units, Blandon said it is more difficult for the terrorists to penetrate this area because the priests have not poisoned the people's minds there like they have in Guazapa and surrounding areas.

COPREFA NOTES ARMED FORCES PROMOTIONS, TRANSFERS

PA042259 San Salvador LA PRENSA GRAFICA in Spanish 2 Aug 86 pp 5, 29

[Text] Coprefa announced yesterday that Colonel Reinaldo Golcher has been promoted to the rank of general, while Colonel Gustavo Atilio Hernandez has been replaced as chief of the General Traffic Department. According to a Coprefa spokesman, Col Golcher, director of the Treasury Police, has been promoted according to the respective regulations. Although the orders from the High Command were announced this afternoon, it was learned last night from official sources that his promotion was the only one confirmed from the various promotions that have been rumored since early this week.

The other changes included in the orders are: Lieutenant Colonel Jose David Batres, promoted to colonel; Colonel Carlos Alfredo Rivas, appointed commander of the Armed Forces Military Training Center; Colonel Galileo Conde Vasquez, appointed commander of the Air Force base at El Salvador International Airport.

Lieutenant Colonel Francisco Elena Fuentes has been appointed chief of psychological operations, Lieutenant Colonel Joaquin Arnoldo Cerna Flores has been appointed commander of the Armed Forces Transmissions Training Center, replacing Colonel Ciro Roque Lopez, who has been named commander of Military Detachment No 3, with headquarters in La Union.

Lieutenant Colonel Guillermo Alfredo Benavides Moreno has been transferred to the Scholarship Corps [Cuerpo de Becarios] of the Joint Chiefs of Staff. Lieutenant Colonel Julio Cesar Benavides has been appointed chief of the General Traffic Department to replace Col Gustavo Atilio Hernandez.

OPPOSITION PARTIES JOIN PDC IN SEARCH FOR PEACE

PA050327 Hamburg DPA in Spanish 2036 GMT 4 Aug 86

[Text] San Salvador, 4 Aug (DPA) -- Political party leaders announced today at a hotel in San Salvador that the most right-wing sector in El Salvador has joined the ruling Christian Democratic Party [PDC] in the search for a national peace plan.

The announcement was made by party delegates, to wit: Roberto D'Aubuisson, on behalf of the Nationalist Republican Alliance [ARENA]; Julio Rey Prendes, Fidel Chavez Mena, and Roberto Viera on behalf of the PDC; and Ernesto Alwood on behalf of Democratic Action Party.

"This is our first meeting, and its purpose is to work out a national peace plan that may be presented to the government or to the rebels," D'Aubuisson told reporters. He added that the aim is to strengthen the position at the dialogue with the guerrillas so the government will not be taken as an entity representing the opinion of the entire nation. According to D'Aubuisson, there are disagreements regarding some aspects of the government's approach to the process of dialogue, and this may cause problems in the future if they are settled before the third round of talks. [sentence as received]

Rey Prendes, who holds the post of culture and communications minister in the administration, said: "This is the realization of an idea that had been developing for some time. We will try to look for rallying points, not differences."

The National Conciliation Party, PCN, which is one of the largest parties along with ARENA and the PDC, was not represented at the noon meeting. However, it was explained that its participation could not be coordinated because a sector of the country is on holiday due to the celebration of El Salvador's national patron saint festivities, but that the PCN agrees with these meetings.

The party delegates said that even though the purpose of this alliance is not to draw up a peace plan before the third dialogue, they will meet today with President Jose Napoleon Duarte to learn about the peace counterproposal the rebels delivered to San Salvador Archbishop Arturo Rivera y Damas.

President Duarte met with the archbishop on Sunday to learn about this proposal and certain aspects regarding a possible exchange of political prisoners for Colonel Omar Napoleon Avalos, whom the guerrillas have held captive since 26 October 1985.

The party leaders said today that the fact that no union leaders were invited to the meeting does not mean that they are being ignored. They said that, in principle, they thought of holding this meeting at the level of legally registered political parties.

This is the second time that an alliance has been formed in the country by radical and moderate conservative groups. The first time was in 1969, when the National Union, including leftist forces, was formed in the wake of the "100-hour war with Honduras."

Venceremos Comments on 'Pact'

PA050301 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 5 Aug 86

[Text] Today at noon, the detestable faces of Roberto D'Aubuisson and Julio Adolfo Rey Prendes were seen on television.

They were announcing to the country that a new pact between the PDC and ARENA had been made: In other words, a pact between Duarte's followers and the death squads.

Who will have any doubts from now on? None other than Rey Prendes himself, representing the PDC, and Maj Roberto D'Aubuisson, representing ARENA, were seen on television announcing the new pact. In this manner, the puppet and (?buffoon) were shown holding hands.

Has Roberto D'Aubuisson forgotten the many times that he has called the PDC communists, terrorists, etc? Has Rey Prendes forgotten the many times that the PDC has accused Roberto D'Aubuisson of being Msgr Romero's assassin and leader of the death squads?

Who will have any doubts from now on? They are two of a kind. They are part of the same plan and project. Jose Napoleon Duarte and the PDC's isolation and exhaustion is such that they had to look to allies for reinforce merit. They know that they are much too weak to confront the ideas and proposals offered by the FMLN and the FDR.

The puppets and [words indistinct] formed an alliance planned by the Yankee embassy. This was done to prevent the participation of other national sectors in the dialogue process. They have said that they will present a peace proposal. However, the trade unions, associations, and professionals, or anyone else, may not participate. Only the puppets and the assassins -- the eternal enemies of the people -- will be allowed to participate.

Some time ago, the Yankees spent millions of dollars in propaganda to present Duarte as a person who had nothing to do with others those that have been described as extremists. Today the North Americans publicly and openly united Duarte with the representatives of the criminals.

Who will have any doubts from now on? Like our people say, they are birds of a feather. What will the rank and file of the PDC have to say about this? Aside from selling their souls to the Yankees and the Army gorillas, they have now decided to make a pact with the man they have accused of being Msgr Romero's assassin.

What will ARENA's ultrarightist members say? They hate the (?fish) and [word indistinct] communists. Who will have any doubts from now on? In this manner, Rey Prendes has unashameldly called D'Aubuisson a friend. This is proof of (?pragmatism) and opportunism.

In March 1980, Rey Prendes himself said: D'Aubuisson goes or we go. Today, they have shown themselves in public as if they were reaching an agreement among parties. However, the U.S. plan; and they are also enemies of the people. Using their own words: the extremists, [word indistinct] and antipopular [word indistinct] have united once again.

FMLN REPORTS 407 ARMY CASUALTIES IN JULY

PA050259 Paris AFP in Spanish 2144 GMT 4 Aug 86

[Text] San Jose, 4 Aug (AFP) -- The FMLN reported today in San Jose that the Salvadoran guerrillas inflicted 407 casualties on the Army during the month of July.

In a communique, the FMLN also reported that 57 of the Army casualties occurred during ambushes by rebels, while 249 were inflicted with rifle fire. According to the report, the guerrillas' "most important" actions in July include one in Usulutan in the country's southeast against an Atonal battalion company. In addition, an energy substation and a train in La Libertad in the country's southwest and another train in San Salvador department were sabotaged.

In addition, the FMLN today denounced "a new scorched earth operation" by the Salvadoran Army in Cabanas and Cuscatlan Departments in the country's northern central sector between 13 and 25 July. According to the rebel source, several infantry battalions, supported by Armed Forces planes and helicopters, participated in the operation. The report said: "Troops and aircraft of the High Command destroyed homes and crops and persecuted and detained peasants." The report also said that 13 people have been detained. The report appealed to humanitarian organizations to denounce "this inhuman act against civilians."

FMLN ANALYZES PRESIDENT AZCONA'S VISIT

PA022352 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 1 Aug 86

[Station commentary]

[Text] Why did Azcona come to El Salvador? As we said yesterday, Azcona came following orders from his master Ronald Reagan, who wants to implement his warmongering strategy in Central America more effectively, seeking the military defeat of the FMLN and the ouster of the Sandinist government.

What did Azcona and Duarte talk about? In between sumptuous cocktail parties, banquets, and merrymaking, this pair of puppets talked about political and military coordination to defeat the FMLN, about cooperation with the CIA mercenaries to continue attacking Nicaragua, and about the forceful repatriation of thousands of Salvadorans who have sought refuge in Honduras. They also discussed ways to make the Contadora Group's peace efforts fail, and the need to revive the putrefied corpse of the Central American Defense Council, Condeca, as a useful instrument for imperialism's counterinsurgency war in Central America. Azcona and Duarte hypocritically talked about national sovereignty, about the peoples' right to self-determination, and about peace, human rights, and democracy. They did not discuss these topics [words indistinct] their criminal machinations against Nicaragua and the FMLN. In conclusion, the two puppets talked and agreed on how they can better serve their imperialist masters.

What does Azcona's visit mean for our peoples? For El Salvador and Honduras, the meeting between these two [word indistinct] servants of Reagan will mean more repression, more violations of human rights, more military operations in the border areas, the eviction of more peasants, a further prolongation of the war, and more suffering for our peoples.

How was the atmosphere during Azcona's visit? No one could hide the hypocrisy that prevailed during the entire encounter. Insincere laughter, forced handshakes and hugs, unexplainable decorations, and cheap praise. It seemed like a show in the eyes of a stranger, but for our people it was clear that behind all that farce were the U.S. Government's warmongering plans.

What conclusion can we reach from this visit? Azcona Hoyo's forced visit to El Salvador is a clear symptom of the quick defeat that the U.S. plans in the region have suffered. It also shows the total weakness of Duarte's regime and its (?imminent) and definitive defeat.

It is also symptomatic of the (?process) and strategic defeat that the CIA mercenaries who attack Nicaragua are experiencing. Azcona came because Duarte needs his [word indistinct], because the mercenaries and former Somozist guards need moral and material support to survive, and because imperialism's plans in the region demand that kind of collaboration from all puppet governments.

FMLN DERAILS SAN MIGUEL-USULUTAN TRAIN

PA030424 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Aug 86

[Text] While the gorillas of the High Command, the gorillas of the garrisons, and the make-believe elite battalions talk garbage, the FMLN carries out guerrilla victories. At 0730 on 1 August, an FMLN unit placed explosives on the railroad tracks in the area of San Carlos (de la Napo), San Miguel Jurisdiction. The train was coming from San Miguel to Usulutan.

The train derailed as a result of the explosion. The locomotive and several cars were badly damaged. Our companeros withdrew with no problems. The High Command and its puppet Army are unable to halt the sabotage actions that our guerrilla fighters are courageously carrying out. There have been trains derailed in the San Salvador area and in the eastern area. Electicity sabotage is frequent throughout the national territory. How about the High Command? They are just fine, thank you.

GUATEMALA

DEFENSE MINISTER ON EFFECTS OF U.S. CONTRA AID

PA050359 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 4 Aug 86

[Text] Defense Minister Jaime Hernandez Mendez said yesterday that aid granted by the United States to Nicaraguan rebel groups will have repercussions on Central American subversive groups in general.

[Begin recording] [Hernandez] There is no doubt about that. The current situation in Nicaragua [words indistinct] target of the subversive situation in Central America and makes it want to extend its influence to Central American countries. We also see a certain influence on their part, particularly the Republic of Guatemala, as they are now receiving some logistical aid from neighboring countries.

[Reporter] There have been several armed clashes with the guerrillas in the past few weeks. Could you comment on this?

[Hernandez] That is the result of our search for the various operational commandos that are active here in the area (?under my jurisdiction). There were some [word indistinct] clashes, because that is what the soldiers fighting the subversives need: some luck to find the subversion and then prolonged engagement to physically eliminate the subversive groups affecting our country.

[Reporter] Are the guerrillas continuing to provoke the Guatemalan Army?

[Hernandez] Yes, the subversives have made some attempts against a military detachment, specifically in northern Guatemala. Detachment members are on alert.

We have maintained a peaceful attitude toward this kind of activity, because we believe that they are provoking us to involve us in actions against the population, which we are avoiding at all costs. [end recording]

HERNANDEZ SAYS U.S., FRANCE TO GIVE AID

PA050335 Panama City ACAN in Spanish 2310 GMT 4 Aug 86

[Text] Guatemala City, 4 Aug (ACAN-EFE) -- Defense Minister General Jaime Hernandez Mendez said today: "Guatemala will get $35 million in military aid from the United States and France." The chief of the Guatemalan Army said that "France may grant $20 million in aid for repairs and military equipment" according to the offer made recently and in private by a French Government adviser, whom he did not identify.

Gen Hernandez Mendez told the press that the Defense Ministry "will make the necessary contacts with the French Government to conclude the negotiations for this assistance." The Army chief also said that the Christian Democratic government of President Vinicio Cerezo "is awaiting $15 million in military aid from the United States." According to Gen Hernandez Mendez, this money will be spent by the Guatemalan Army "to purchase spare parts for the helicopters used to help civilians."

He also said: "We will purchase vehicles and bulldozing equipment to build roads in the country's interior. We will not purchase armament." The defense minister feels that, with the aid from the United States and France, the military program for spare parts for helicopters can be accomplished. He asserted: "Not a single cent of the aid from the two countries will be used to purchase lethal weapons."

The United States suspended military aid to Guatemala in 1977 "due to human rights violations." This aid, however, has been resumed since Christian Democrat President Cerezo assumed office. According to the defense minister, this is the "first time that France has offered military aid to the Guatemalan Army."

HONDURAS

FOREIGN MINISTER DISCUSSES U.S. TIES, ICJ

PA030215 Tegucigalpa Voz de Honduras Network in Spanish 1812 GMT 1 Aug 86

[News conference given by Foreign Minister Carlos Lopez Contreras after he and President Jose Azcona Hoyo met with Elliott Abrams, U.S. assistant secretary of state for inter-American affairs; date and place not given -- recorded]

[Text] [Question indistinct]

[Lopex Contreras] In the economic aspect, we discussed the possibility of increasing the U.S. Government economic assistance to strengthen our country's economic capabilities and our security.

[Question indistinct]

[Lopez Contreras] This has not been decided yet; it is being studied. It is closely associated with the resolution recently approved by the U.S. Congress.

The House of Representatives approved it, but the Senate has not approved it yet [words indistinct] $300 million for helping the Central American democratic countries.

[Question indistinct]

[Lopez Contreras] No, not the terrorism problems. We have not talked about terrorism.

[Question indistinct]

[Lopez Contreras] Well, the possibility of increasing U.S. assistance for continuing the training and [words indistinct] of the Armed Forces.

[Question indistinct]

[Lopez Contreras] Honduras is not participating in an arms race. You know perfectly well that the Honduran Armed Forces do not even have 20,000 soldiers. However, for both our internal security as well as for protecting our borders -- which are very long, as we border three countries -- we need to have the Armed Forces.

[Question indistinct]

[Lopez Contreras] We have always done so.

[Reporter] Does this mean that Honduras will (?request) assistance from the International Court of Justice [ICJ] in the suit filed by Nicaragua? Could this not favor, in a certain way, El Salvador, in view of the case we have pending with El Salvador at The Hague?

[Lopez Contreras] I have already explained that, but I will gladly explain it again. In the first place, Honduras is making use of a right granted by the ICJ statute and has therefore modified its (?stand) through a resolution approved in May by the Congress of the Republic. This is a modification of the jurisdiction of the ICJ concerning Honduras. That is an affirmative action, that is, a unilateral action by Honduras allowed by international law. Now, concerning the suit filed by the Nicaraguan Government against Honduras, we -- the government, the Foreign Ministry -- have not voiced a definite stand yet. In other words, we have not given any answer. We have not received the official documents from the ICJ. First we have to study them carefully, and then we will issue a pronouncement once we have adopted a stand that is in the best interests of Honduras. Therefore, it is much too early to say that Honduras has (?disavowed) the jurisdiction of the ICJ. We have not done that, we have merely (?challenged) the competence of the court. We will eventually issue a pronouncement on our stand. One thing is the compulsory jurisdiction of the court, and that is what we have modified. Another thing is the voluntary jurisdiction of the court. In other words, if we have modified the compulsory jurisdiction, this does not necessarily mean that we will not appear in court, answer charges and participate in a trial. That is not the direct consequence. We are going to study that, and we are going to make the decision that best suits the interests of Honduras.

[Question indistinct]

[Lopez Contreras] [Words indistinct] modifications. That is one part, there are many other aspects that we have modified.

[Question indistinct]

[Lopez Contreras] That is one of them, and the others are equally important.

[Question indistinct]

[Lopez Contreras] Another basic reason for modifying the jurisdiction of the court is closely associated with the advisability of Honduras participating in those trials having to do with border issues [words indistinct]. Right now, we have opened the possibility of participating in a hearing with the Republic of El Salvador for solving our border problem, as you have heard [words indistinct]. However, in no way does this modification have any influence on the competence of the court to solve the Honduran-Salvadoran problem. The competence of the court is specifically for this case in enforcing the 1980 Peace Treaty.

[Question indistinct]

[Lopez Contreras] We have been concerned, and we do not want Honduran territory to be used as a platform for [words indistinct] forceful measures against neighboring countries and [words indistinct] a rebellion movement against the Nicaraguan government should operate in their territory and not in Honduran territory.

[Question indistinct]

[Lopez Contreras] Look, here in Honduras they are not operating with the authorization of the Government of Honduras. Thus, I cannot tell you what they said, that was a [words indistinct].

[Reporter] Is this the first time that Honduras has made such a statement to the gringos?

[Lopez Contreras] What statement?

[Reporter] The one to the effect that Honduras will not serve as a platform for...

[Lopez Contreras, interrupting] No, you heard it being officially said by the Honduran Government in international meetings, as well as beofre the countries of the area.

[Reporter] Mr Foreign Minister, what could be done if the contras prefer to continue with their armed struggle form [words indistinct] to Tegucigalpa?

[Lopez Contreras] This is a public order issue. It is up to the public order authorities to protect the people and the cities.

[Reporter] When will the Foreign Ministry issue a pronouncement to the Honduran people?

[Lopez Contreras] As soon as it is ready and the court is notified.

[Reporter] Couldn't Honduras also sue Nicaragua at The Hague, inasmuch as that conflict has always caused us much damage?

[Lopez Contreras] Perfectly well.

[Reporter] Has the Foreign Ministry or the government thought about that?

[Lopez Contreras] That is just a possibility. I do not want to make any advance statements, I repeat, because this is being studied. However, there is a wide range of possibilities.

[Reporter] Is the problem with Nicaragua as important as the problem with El Salvador, [words indistinct] the Hondurans?

[Lopez] No, the problem with El Salvador is as important as the [words indistinct] the Honduran foreign policy, and has been for many years. The government wants to solve the border problem once and for all, and we have found that the Salvadoran Government is also very much interested in this.

[Reporter] [Words indistinct] the Contadora Group?

[Lopez Contreras] It depends on how the peace negotiations go.

JOINT COMMISSION WITH EL SALVADOR MARKS BORDER

PA031428 Tegucigalpa EL HERALDO in Spanish 1 Aug 86 p 3

[Text] Honduran and Salvadoran border commissions have virtually concluded measuring Border Section 7, in the Goascoran region, which covers a 73-km strip. This was announced yesterday by the office of the foreign relations secretary. The two commissions worked in that region last week and established a definite border between the two states.

According to the announcement, officials and technicians in charge of establishing the border will begin working in Section 2 in the next few days. That section is 10 km long and is located in the Zapotal-Cayahuanea area. The General Peace Treaty signed in October 1980 divided 66 percent of the border into 7 sections. The border limits in each of these sections were to be marked while the two countries discussed the boundary for the remainder of the border area, but it was not possible to establish any limits then. According to reports, the delegations from the two countries will be going to the border area to verify markings of Border Section 7.

It has been reported that the work carried out by the former Mixed Commission on Limits has been acknowledged. That commission marked border areas during the 5 years it functioned. Border markings in the areas that have been mentioned have been possible mainly because the Salvadoran guerrillas do not operate in those sectors, a fact that facilitates the work of the technicians. Border marking in other areas, especially in the country's west, is a serious problem, because nearby Salvadoran areas are operations centers of the Salvadoran rebels.

CONTENTS OF TREATY WITH COLOMBIA DISCLOSED

PA030345 Panama City ACAN in Spanish 0130 GMT 3 Aug 86

[Text] Tegucigalpa, 2 Aug (ACAN-EFE) -- Honduran Foreign Minister Carlos Lopez Contreras and Colombian Foreign Minister Augusto Ramirez Ocampo today signed a treaty delimiting their maritime borders on the Colombian island of San Andres, it was officially reported here.

The text of the treaty, which was dislosed in Tegucigalpa tonight, states: "The maritime border between the Republic of Honduras and the Republic of Colombia is determined by the following coordinates:

"Point 1: Latitude 14 degrees 59 minutes 8 seconds north; longitude 82 degrees west

"Point 2: Latitude 14 degrees 59 minutes 8 seconds north; longitude 79 degrees 56 minutes west.

"Point 3: Latitude 15 degrees 30 minutes 10 seconds north; longitude 79 degrees 56 minutes west

"Point 4: Latitude 15 degrees 46 minutes north; longitude 80 degrees 3 minutes 55 seconds west

"Point 5: Latitude 15 degrees 58 minutes 40 seconds north; longitude 79 degrees 56 minutes 40 seconds west.

"The maritime border between points 4 and 5 will be determined by the arc of a circle, the radius of which is measured from a point located in coordinates 15 degrees 47 minutes 50 seconds north and 79 degrees 51 minutes 20 seconds west.

"Point 6: Latitude 16 degrees 4 minutes 15 seconds north and longitude 79 degrees 50 minutes 32 seconds west.

"From the last point mentioned, the maritime border will continue east, passing through parallel 16 degrees 4 minutes 15 seconds north, up to the point where the border must be delimited with a third state.

"The maritime border agreed upon is outlined, for illustrative purposes only, in Nautical Map No 28000, published by the 'Defense Mapping Agency Hydrographic/ Topographic Center, Washington, D.C., [name and address given in English] 74th edition of 28 February 1985.' The map, which was signed by the plenipotentiaries, is annexed to this treaty with the uderstanding that in every case, its specifications will prevail.

"The delimitation announced in the preceding article will not affect the demarcation of maritime borders established or to be established in the future between the contractors and third states, as long as that demarcation does not affect the jurisdiction recognized as belonging to the other contracting party through this treaty.

"The beds or deposits of hydrocarbons or natural gas located on either side of the established line will be exploited in such a way that the distribution of the volume of resources obtained from that bed or deposit will be proportional to the volume of found on each side of the line, respectively.

"Any difference between the contracting parties over the interpretation of this treaty will be resolved by seeking a peaceful solution based on international law.

"This treaty will be subject to approval following the constitutional requirements in each of the signatory countries and will become effective upon the exchange of the respective instruments of ratification."

The treaty was signed in duplicate.

BOMB DAMAGES RADIO NEWS DIRECTOR'S HOUSE

PA041442 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 4 Aug 86

[Text] A powerful bomb exploded at the house of Rodrigo Wong Arevalo, director of the newscasts of Radio America. The explosion took place at approximately 0400 in the garage at his residence. It destroyed Wong Arevalo's car, broke windows, and damaged part of the house.

Fortunately, the bedrooms are far from the garage and there were no casualties.

At this time several patrol cars are at Wong Arevalo's residence to make the appropriate investigations.

FDN, UNO Condemn Attack

PA050305 Panama City ACAN in Spanish 0027 GMT 5 Aug 86

[Text] Tegucigalpa, 4 Aug (ACAN-EFE) -- The rebel organizations FDN and Nicaraguan Opposition Unity (UNO), condemned the terrorist attack here today on reporter Rodrigo Wong Arevalo, deputy director of Tegucigalpa's Radio America.

"We strongly condemn the wave of violence, terrorism, and subversion that the Sandino-communist tyranny has unleashed against the sister nations of Central America, especially against the Republic of Honduras." This statement is included in a communique the rebels released today.

According to the rebels, this morning's attack on Wong Arevalo and the attack carried out on 24 July in a residential area in Tegucigalpa "are nothing more than links in a chain of violence implemented in the region by terror international, which has its general headquarters for Central America in Managua."

"Just as the Central American dignitaries and analysts have said, the Nicaraguan communist regime is the destabilizing factor in Central America, and there will be no peace in this region while that regime continues to exist," the communique adds.

According to the "counterrevolutionary" directorate, the Sandinist government has undertaken a campaign to discredit "the freedom fighters."

"Our struggle," the communique states, " is precisely against the terrorists who, like the nine Marxist commanders, from very beginning were known for their attacking banks, planting bombs in homes and airports, creating innocent victims, and violating the basic rules of international law."

FDN-UNO reiterated that their struggle is "against the nine terrorists of Managua who today misgovern our homeland."

Wong Arevalo and his family were the targets of a terrorist attack this morning at 0400 when a bomg, placed under the seat of his car, exploded.

The explosion did not cause casualties because at that hour the Wong Arevalo family was asleep. However, it did destroy the car and the entrance of the house located in La Primavera neighborhood, in the southeastern sector of Tegucigalpa.

NICARAGUA

COSTA RICAN PAPER INTERVIEWS DANIEL ORTEGA

PA012153 San Jose RUMBO in Spanish 25-31 Jul 86 pp 12, 15

["Exculsive" interview with President Daniel Ortega by Ignacio Santos Pasamontes at the Government House in Managua on 17 July]

[Text] [Santos] A few days ago you said the Governments of Costa Rica, Honduras, and El Salvador should "act with more seriousness," that they are "accomplices" in the U.S. policy toward Central America, and that they "were playing with fire." What do you mean when you say they have acted with "little seriousness?"

[Ortega] They have acted with little seriousness and with little responsibility not only regarding Nicaragua but also regarding their own peoples, because the first responsibility those presidents have is to their own peoples. During the Esquipulas meeting I felt that all the leaders of the region shared an authentic concern about the Central American situation; however, at the same time one immediately noted the lack of willingness on the part of some rulers to resolve the crisis.

[Santos] To what do you attribute that lack of willingness?

[Ortega] To U.S. pressure. It was left very clear that U.S. pressure is a decisive element among those governments. I told them that to achieve peace in Central America we must necessarily pass through a time of strong disagreement with U.S. policy but that this can be overcome in the medium term, while a war would have an insurmountable long-term cost. Therefore, it is better to pay the price of a momentary difference with U.S. policy to achieve peace than to accept the U.S. Government's constant blackmail about withdrawing financial support from Governments such as Costa Rica, Honduras, and El Salvador. That will only lead to a confrontation among Central American countries, to U.S. military intervention, and to total war in Central America.

[Santos] In the case of the Costa Rican Government, why do you accuse it of acting that way when just a few months ago President Oscar Arias Sanchez said in the United States that he was against aid to the Nicaraguan contras?

[Ortega] I think President Arias was following a very consistent position when he made those statements, but later all that was placed in doubt when he tried to draw up a foreign policy based on the type of domestic regime Nicaragua has. We differentiate between the attitude of the Costa Rican Government, the Monge administration, and the Arias administration and the attitude of other Governments such as those of Honduras and El Salvador. President Arias' attitude of expressing opposition to the $100 million in aid is very important...

[Santos] But on the other hand you [and President Arias] had a confrontation in Esquipulas.

[Ortega] Well, one can engage in an argument about the concept of democracy. However, I want to appeal to the dignity and firmness of the Costa Rican people and President Arias so we can overcome this crisis in the region. I am not asking President Arias to sympathize with the Nicaraguan regime. We have our points of view. Just as he can criticize the Nicaraguan Government, I can criticize the Costa Rican regime. However, the problem is that there is a foreign power called the United States that is affecting the stability of Central America and that pressures the governments of the region so they become instruments to deepen the crisis.

The way things are going, a Central American war will break out and, as I have said, it will involve all of us; no one will be saved from it.

[Santos] In Costa Rica, there is an atmosphere that is hostile to Sandinism. There is even the idea that a regime like that in Nicaraguan can affect the Costa Rican democracy. To what do you attribute that feeling among the Costa Rican people?

[Ortega] To a fierce anti-Nicaraguan campaign in Costa Rica. Through the CIA the United States has invested many resources in Costa Rica and has created feelings against the Sandinist revolution.

[Santos] But Commander, how do you respond to that feeling among the Costa Rican public?

[Ortega] In the face of such campaigns I have always replied that the best thing is to visit Nicaragua. Nicaragua does not close its doors to anyone. Whoever wants to can enter or leave Nicaragua. This is not a closed society. In the face of the slanderous campaigns against Nicaragua, the best thing one can do is to invite the Costa Ricans to come see the reality of the Nicaraguan revolution.

[Santos] After the approval of the $100 million, the government closed the newspaper LA PRENSA for an indefinite period and expelled two priests. In addition, political sectors of the opposition reported that their actions were greatly limited in Nicaragua. What is the meaning of these measures taken by the Sandinist government?

[Ortega] These are normal measures in view of the war that the country is facing. These are defensive measures. We do not oppose political pluralism. We do not oppose bishops' getting involved in politics and making speeches against the revolution. This does not worry us because it is a right earned by Nicaraguans. However, when the owners of LA PRENSA, for example, and certain members of the church go beyond the institutional framework to get involved in politics and become allies of the United States, which is making war against Nicaragua, then that is tantamount to an act of treason. In the United States, for example, the U.S. Government just sentenced a spy to two life-prison terms plus 50 years. In Nicaragua, the maximum sentence is 30 years, and these gentlemen who are defending the $100 million in Washington and who were brought there by the CIA deserve 30 years in prison. Therefore, we chose the lesser of the two sanctions.

[Santos] In the case of LA PRENSA, how did the censorship system fail?

[Ortega] The sanction was against the LA PRENSA owners. The newspaper is just a means of communication that is put out by the reporters, but the policy is established by the owners. The owners of that newspaper are the ones who went to the United States to defend the mercenary forces and Reagan's policy against Nicaragua. What else could we do with these people who were violating the law and betraying the country? We would be justified in sending them to jail for 30 years, but instead we opted for a less costly sanction and perhaps less painful, and thus we suspended the newspaper's circulation for an indefinite period. Taking into account that it is a newspaper financed by the CIA, we are not afraid of it. Within the framework of freedom of expression in this country, we are not afraid of any statement that the CIA may want to make through a newspaper it finances. If we did not have a war and an aggression under way here, LA PRENSA could continue to operate without any problem, even without censorship, regardless of the fact that it is financed by the CIA. However, in a war situation, this cannot be tolerated.

[Santos] In this war situation you mention, could Sandinism impose stronger sanctions against those who endanger the revolution? For example, could execution by a firing squad be implemented in Nicaragua?

[Ortega] No. We have signed international agreements. We did not establish the death penalty when the revolution succeeded, and we are not going to establish it now. It is not within our plans to establish a death penalty.

[Santos] Opponents of Sandinism in Nicaragua have told me about the great limitations under which they live in the country. What is your opinion?

[Ortega] We are interested in the political opposition, and we promote that opposition. Despite the state of emergency, the political groups that are members of the Constituent Assembly, as well as those who are not, continue to meet and maintain their offices. Their offices have not been seized. They hold meetings, issue communiques, and hold news conferences. It is true that they have certain restrictions, but is the Nicaraguan Government responsible for this? If those political parties want us to lift these restrictions, they should act more decidedly to put an end to the U.S. aggression so that we can have normalcy again. Normalcy and stability are needed for democracy to work. If efforts were made to destabilize Costa Rica thorugh violent actions, that country would adopt several measures that would affect their people's free movement, and freedom of the press would also be affected. This has occurred in the United States. It happened during World War II. I have been watching U.S. television recently, and they have been talking about the fact that there is a guilty feeling among the U.S. people because of the actions that were carried out against people of Japanese descent back then.

[Santos] Sectors that oppose Sandinism are saying that with the draft constitution that is being discussed, an effort is being made to institutionalize Sandinism and close every possibility for political pluralism to exist. Among other aspects, they mentioned the control on the economy and the centralization of power in the hands of the president. What is your opinion?

[Ortega] All the political parties have the right to voice their opinions. Each political party wants a constitution, but in its own way. This is very natural and human. In addition, it is within the framework of the free play of political pluralism in Nicaragua. This is one more expression of political pluralism because if it did not exist, they would not be talking that way. A similar polemic would appear in the process to draft a constitution in any other country. I would say that it is a necessary polemic that increases when a situation of political tension is under way...

[Santos] But the polemic you mentioned became nonexistent when the political parties that were participating in the process stopped participating.

[Ortega] Well, not all of them because some of them are still participating. In addition, some come and go. This is part of the parliamentary system.

[Santos] In recent months, Sandinism has been strongly criticized by organizations that defend human rights such as Amnesty International.

[Ortega] That is true...

[Santos] And the International Human Rights League.

[Ortega] That is true. However, on the topic of human rights, one must always refer to those who have an attitude that could be described as impartial. The opposition parties can accuse us of human rights violations, and the government will defend itself. The U.S. Government can accuse us of the same, and the government will defend itself, but the ruling of the organizations favors Nicaragua regarding the systematic violations of human rights. They say that there is no systematic violation of these rights in Nicaragua. It is true that they mentioned certain violations but only as isolated actions, and they also mentioned the efforts made by the government to solve this problem. However, these reports also point to human rights violations in other countries in the area, in Costa Rica, Honduras, El Salvador, and Guatemala. I would say that Costa Rica and Nicaragua were the countries least affected by these reports.

[Santos] But several human rights violations were mentioned in Amnesty International's most recent report...

[Ortega] Yes...

[Santos] In fact, the Human Rights International League recently reported in New York that there were between 3,500 and 4,000 political prisoners in Nicaragua...

[Ortega] That is completely false. It is untrue that there are 3,500 political prisoners here, and that can be verified. There are not 3,500 political prisoners. In other words, there are 3,500 prisoners here, but we would have to see how many of them were Somozist guardsmen, how many of them have been under arrest since 19 July [1979], how many of them were taken prisoner for involvement in armed counterrevolutionary activities, and how many thousands of prisoners who have been in jail have been favored by the yearly pardon that the government is granting. We recently pardoned more than 400 prisoners, which included a man who was a National Guard sergeant and a Somoza aide.

[Santos] A few days ago, during an interview granted to LA NACION, [Nicaragua's LA PRENSA publisher] Pablo Antonio Cuadra said that after the approval of the $100 million, the Sandinist government, in order to hit Reagan, should have restored public freedoms and individual guarantees. Don't the latest measures (closing LA PRENSA, expelling two priests, and putting more limitations on political parties) give President Reagan the right to say that there are no public freedoms nor individual guarantees in Nicaragua?

[Oretega] I think that instead this has shown that there are public freedoms and individual guarantees in Nicaragua. Because if, as Reagan said, there were not public freedoms in Nicaragua, then, why make such a fuss over closing LA PRENSA? Why make such a fuss over the expulsion of a few clergymen? If none of this existed, it would not be possible to adopt measures of this kind. This has shown that those freedoms do exist in Nicaragua and, because they exist certain sanctions are sometimes applied to those who violate the laws. But, as we have said, these are temporary measures. They do not represent a radicalization of the process.

[Santos] You have said that Nicaragua's main problem is the war, but you have also referred to problems like the shortages and deficiencies in production and in health services.

[Oretega] Nicaragua has not escaped from all the problems currently experienced by Central America and all Latin American countries. Without a war, Nicaragua would still face the same problems faced by the other regional countries: the big economic problem, the prices on the international market, and the debt problem. This situation is seriously aggravated by the war. Our biggest efforts are geared at producing, but production means big tensions because there is an entire action aimed at destroying it. Production, however, has been maintained.

[Santos] But it has declined notoriously in recent years.

[Ortega] It has declined in some areas; in others it has not. For instance, in recent years we have had historic coffee crops; this year we had a smaller crop. In the case of cotton, we also had problems with the agrochemical products, there were plagues, there were weather problems. In the case of rice, we obtained a bigger production than normal, and we have increased our rice production as well as that of staples like corn and beans. We are suspending our staple imports and are engaged in a domestic production effort. We cannot speak of a general production decline. It is true, however, that as a whole, production has been seriously affected. The social programs have been the most affected, as we have had to transfer foreign exchange from that sector to the productive sector; we cannot satisfy the needs of all sectors.

[Santos] Do you feel that a strong feeling of dissatisfaction with the government might develop as a result of the shortages of food products and basic grains and the disproportion between wages and prices?

[Ortega] I would say no. Here you will find a general "cry" ["grita"] (clamor by the people) because everyone here has been given the right to demand food, and that is an obligation that the government has assumed. If we go to some other Central American country, we find that the government does not have that obligation to the people. There it is a matter of who can buy, who can survive with his or her wages. The government does not have an obligation. Here, however, we have the obligation to make staples available to all Nicaraguans. When these items are in short supply, there is protest. Hypothetically speaking, the simplest way to confront the crisis would be to implement the IMF measures, to not acquire any obligation with the people, and to let each person look after himself. The stores would then be filled with products, only a few would be able to buy those products, and the prices would level off. However, since we have a revolution here, and this revolution has told the people that everyone has the right to eat...there are peasants here who in the past did not know about oil, beans, meat, or eggs. Today they have the right to demand that.

[Santos] When you refer to Central America's problems, you exclude Guatemala, as when you talk about the shortage problems, the political problems.

[Ortega] No, I do not exclude Guatemala...

[Santos] But you only speak about Costa Rica, Honduras, and El Salvador.

[Ortega] I am speaking about the countries that constantly question Nicaragua. We do not have that problem with Guatemala. Guatemala is respectful of Nicaragua's regime. However, we are constantly being questioned by El Salvador, Honduras, and Costa Rica regarding Nicaragua's domestic situation. So we draw these comparisons with those countries that are more involved in the controversy about Nicaragua's regime.

[Santos] In short, Commander, how do you view Nicaragua's future?

[Ortega] I view it with optimism, because despite the war and the difficulties, we have always been aware that a revolution goes through difficult moments, and because it experiences difficult moments there is true change, a profound change. The difficult moments will be overcome. All the great developments of mankind, all the great protagonists of humanity, Christ himself and Christianity, experienced difficult moments, terrible moments. Nicaragua is going through a "calvary," but it, too, will come back to life.

[Santos] Finally, Commander, a difficult question: How does Daniel Ortega view himself as an individual, what are his major flaws and his major virtues?

[Ortega] How difficult that is. The truth is that have I not subjected myself to an in-depth analysis in search of either virtues or flaws. I have always tried, more or less as I go along, to remain watchful of my own actions, that is, of whether or not I am acting in accordance with my principles. I think the important thing is to remain constantly watchful of oneself and not to fall into a state of self-satisfaction with one's performance so that when one does something, one is satisfied, but not filled with vanity. I think it is important for a man to always remember that in the final analysis, when it comes to certain public duties, he is not accountable to himself but to society as a whole, because in the end he is merely an expression of that society to which he is accountable.

PRESIDENT ORTEGA'S 'CHICAGO PROPOSAL' PRESENTED

PA042020 Managua Radio Noticias in Spanish 1200 GMT 4 Aug 86

["Chicago Proposal" made by President Daniel Ortega on 3 August; read by William Montiel y Pena]

[Text] 1. The Nicaraguan Government is willing to immediately start a constructive, open, and systematic dialogue to resolve the problem between the church and the state.

2. To resume dialogue with the Nicaraguan Episcopal Conference, the Nicaraguan Government hereby invites the Episcopal Conference to hold a meeting this month to propose the creation of an ecumenical arbitration, if necessary.

3. Nicaragua hereby makes an urgent appeal to the Central American nations to immediately return to the negotiations within the framework of the Contadora Group, so that on 15 September, anniversary of independence in Central America, the Contadora Document for Peace and Cooperation in Central America is signed.

4. The Nicaraguan Government invites the owners of the daily LA PRENSA to adjust their behavior within the legal institutional framework and to break their bonds with those who have decided to join the war of aggression against Nicaragua. The temporary measure that has been applied to LA PRENSA would be reconsidered under these conditions [words indistinct].

5. The Nicaraguan Government hereby invites the U.S. Government to comply with international law and to abide by the International Court of Justice ruling.

6. The Nicaraguan Government makes an urgent appeal to the U.S. Government to start the corresponding negotiations that would conclude in the prompt signing of a new treaty of peace and friendship.

7. The Nicaraguan Government urges the Central American countries to turn Central America into a demilitarized area and a region of peace, under the auspices of the Contadora Group and the Lima Group [words indistinct].

8. The Nicaraguan Government hereby invites U.S. President Ronald Reagan to visit Nicaragua.

ORTEGA REPORTEDLY TO VISIT PRC IN SEPTEMBER

PA021330 Mexico City THE NEWS in English 30 Jul 86 p 8

[By Upendra Nath Mishra]

[Excerpts] Managua -- Nicaraguan President Daniel Ortega will pay an official visit in September to the People's Republic of China (PRC), where he will ask for economic, political and military support, according to diplomatic sources here.

Last year in December, the Communist Party of China had invited Nicaraguan Foreign Minister, Miguel D'Escoto, and a senior Sandinista leader, Henry Ruiz, to Peking, where D'Escoto and his Chinese counterpart, Wu Xueqian, had held detailed talks about the possibilities of economic and political cooperation.

After the talks, the Sandinista officials said that China was willing to offer economic aid and that both sides were negotiating an agreement on economic cooperation.

During Ortega's proposed visit to Peking, a number of bilateral agreements between China and Nicaragua are likely to be formally announced, according to Sandinista officials.

The diplomats and foreign political analysts term Ortega's visit to China as a very significant event in Sino-Nicaraguan relations, and say that it has materialized after nine months of hectic efforts by the two sides.

Nicaragua's shift to China has also dealt a severe diplomatic blow to Taiwan's interests in Central America. In December, the leftist Sandinista government established full diplomatic ties with Peking and broke with Taipei. As a result, now Nicaragua is the only Central American country (except Mexico) which does not have an accredited representative to Taiwan instead of China.

Sandinista officials say that Nicaragua's relations with Taiwan were a legacy of the former Somoza regime. Now, however, the Sandinista regime recognizes the government of the People's Republic of China as the sole legal government of China and regards Taiwan as an inalienable part of the territory of the PRC.

Why did the Sandinista regime wait for about six-and-a-half years to sever diplomatic ties with Taiwan and establish diplomatic relations with the PRC?

It is held that the two most important reasons that delayed the establishment of diplomatic ties between Nicaragua and the PRC were: first, China's initial reluctance to wholeheartedly support the Sandinista regime because of its too pro-Moscow leanings, and secondly, the much-needed Taiwanese economic aid.

During the period 1981-85, Taiwan's economic aid to the leftist Nicaragua was substantial. It included two low-interest loans, totaling 9 million dollars, and small projects in fisheries and agriculture. Bilateral trade between Nicaragua and Taiwan amounted to about 20 million dollars in 1984 alone. [passage omitted]

It is widely held in diplomatic and political circles that Sino-Nicaraguan relations have been strengthened after Ortega met with Chinese Premier Zhao Ziyang during the United Nations session in New York last October.

CASTRO TOURS SANCTI SPIRITUS CONSTRUCTION SITES

FL022013 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 1730 GMT begins recorded coverage of a 27 July tour by President Fidel Castro of Sancti Spiritus construction projects. The opening shot shows a building with the words "Camilo Cienfuegos Provincial Hospital" superimposed. Castro is then shown entering the building and shaking hands with the staff, who are waiting to receive him. Castro asks about prenatal testing and is told it will be done here, and these tests are done in 3 or 4 days in Santa Clara.

The announcer reports that Castro asks about the area previously occupied by the provincial hospital. The camera shows Castro and the hospital staff, who are all talking simultaneously, looking at pictures on the bulletin board. They point out the remodeling projects that have been completed. Castro then is shown outside uncovering the sign for Camilo Cienfuegos Hospital.

The announcer continues, reporting that Castro then visited the Sancti Spiritus Medical Sciences faculty, which was completed in honor of the Moncada anniversary. The camera shows an unidentified man using a pointer on a scale model of the school to point out the buildings to Castro. Castro takes the pointer away from the speaker and asks questions about specific areas and buildings. He asks about the construction of apartments for nurses and medical students.

The camera then shows Castro entering a room full of people who are standing, applauding, and chanting, "Fidel, Fidel!" Castro asks, "Are you all students?" An unidentified speaker indicates that some of them are workers. The camera is then behind Castro, and some of the workers describe their tasks in their separate brigades. A student indicates that there are 80 1st-year medical students enrolled. Castro briefly turns toward the camera and then returns to face the students. After speaking with the students, says the announcer, Castro signs the visitors' book. The camera shows a closeup of Castro as he writes, "The building is excellent. We hope that the professors, students, and workers will be superior."

During his tour, Castro also visited the Sports Initiation School, which became partially operational last year, reports the announcer. The camera shows Castro entering the school. Speaking with a group of people about the students enrolled there, Castro says, "They have to study. They have to make a greater effort. It is clear they no longer have production work. Their productive work is a sport." Castro asks about exercises, swimming, soccer, and baseball. When Castro asks when the school will be finished, an unidentified speaker says they expect it to be completed by 1 September.

Castro's tour also included a visit to the new water complex and the new Sancti Spiritus Airport, says the announcer. The camera shows Castro speaking to personnel at both these locations as the announcer continues reporting. Castro is then shown crossing the bridge over the Yayabo River. Castro is seen leading a crowd of people while he asks questions. The camera pans the riverbanks and shows people crowded together clapping and chanting, "Fidel, Fidel." Castro is then shown standing on steps and surrounded by unidentified men in fatigues as he speaks to the people. He asks the people how long they have lived there, how many children they have, if they are students, and what they do.

As he descends the steps, the men in fatigues, presumably Castro's bodyguards, escort him. Two bodyguards can be seen in front of him, one behind him, and one to his right. Castro continues waving, and the report ends at 1757 GMT with a still shot of Castro as he gets into his jeep. The camera then returns to regular programming.

BRAVO SENDS MESSAGE TO DISARMAMENT MEETING

FL042340 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Aug 86

[Text] Flavio Bravo, president of Cuba's National Assembly of the People's Government, has sent a message to the world conference against A- and H-bombs in Tokyo, Japan. In the message, the Cuban leader says the solution to the world's current economic and social problems is incompatible with the arms race and the idea of military superiority.

DELEGATION ATTENDS NONALIGNED SEMINAR IN INDIA

FL042109 Havana Radio Reloj Network in Spanish 1818 GMT 4 Aug 86

[Text] The Cuban delegation attending a seminar in New Delhi on the Nonaligned Movement has reaffirmed that the struggle for peace and against nuclear holocaust are the basic principals of that movement. In a document presented to approximately 100 delegates attending the International, Retrospective, and Perspective Seminar on the Nonaligned Movement, the Cuban delegation said opposition to war, as well as the struggle against its development, is the movement's priority.

Cuban Foreign Ministry representative Pelegrin Torras, who is heading the delegation, said the next meeting, in Harare, Zimbabwe, will be an exceptional forum and will strengthen that organization. The document says the meeting will confront the totally new situation of the attempts by highly industrialized capitalist countries to [word indistinct] the international instruments of developing countries.

CHILEAN BISHOP'S SPOKESMAN EXPLAINS DOCUMENT

PA021519 Havana International Service in Spanish 0000 GMT 29 Jul 86

[Telephone interview with Roberto Urbina, director of the Chilean Episcopal Conference's press office, in Santiago, by PRENSA LATINA reporter Javier Rodriguez, in Buenos Aires; date not given — recorded]

[Text] [Rodriguez] Mr Urbina, we are calling you because here in Buenos Aires we are very interested in what is happening in Chile, including the latest position expressed by the Chilean Episcopal Conference, the documents that the conference released requesting the reinstatement of civilian power in the country, and the government's reaction to this request.

[Urbina] There has been no official government reaction. [Words indistinct] no statement has been made, and he even said that he has not studied the document released by the bishops. We have heard only opinions expressed by some government officials. However, these are not official statements. Therefore, there is nothing to add regarding this matter.

Some sectors of the Chilean political opposition have thanked the bishops for their statement and for the document approved by the bishops' plenary session. The bishops wrote a letter to Dr Gonzales, president of the National Civic Assembly [ANC], who is currently in prison. In their letter the bishops express their solidarity and support and recognize that the actions of the ANC are legitimate, because these are peaceful actions.

[Rodriguez] Are the Chilean Episcopal Conference's main statements based on the need to reinstate civilian power in the country?

[Urbina] No. The letter and the document do not mention this. The document mentions the five main causes of violence in the country. These causes are: the suffering of Chileans due to hunger, cold, and unemployment; the lack of participation at all levels and the lack of integrity of the authorities; the militarization of civilian life -- military opinions are imposed on organizations that are strictly civilian; the use of war methods against the civilian population -- this causes terror, anguish, and discontent; and political terrorism on the part of those who are bent on imposing their will by force.

'OUR AMERICA' REMEMBERS PANAMA'S TORRIJOS

PA021917 Havana International Service in Spanish 2300 GMT 28 Jul 86

["Our America" commentary]

[Text] Under the ominous name "Injure the Falcon in Flight," the CIA organized the plot to kill General Omar Torrijos on 31 July 1981. Torrijos' relatives have said that his death occurred after the explosion of a bomb that was placed inside the Panamanian leader's plane. In order to carry out this action, the CIA had the support of its agents in Panama, they said. Recent revelations bring to mind the events that surrounded the mysterious death of Torrijos, a defender of Panamanian sovereignty and an opponent of U.S. presence in the strategic Canal Zone.

During his visit to Cuba in January 1976, Torrijos said: We belong to a group of new officers that took over power. It is true. But we must analyze the contents of every coup d'etat. Sometimes a coup takes place because it is the only solution to a prevailing situation. In our case, we decided to work in favor of the people, who had been oppressed for so long.

After he rose to power, Gen Torrijos tried to prove to the Panamanian people that the National Guard was no longer a repressive body and that it was there to defend national rights. Following this policy, Torrijos got U.S. President James Carter's signature on the Canal Treaties in 1977, following the 1964 events in which U.S. policemen from the Panama Canal fired on a group of Panamanian demonstrators, killing more than 20 people. After that, the decolonization of the Panama Canal became Torrijos' main concern as head of state. His nationalist and anticolonialist principles prevailed in every one of his government actions. His words: I do not want to enter into history, I want to enter the Canal Zone, became a slogan in 1979.

The CIA and the U.S. Government sentenced Torrijos to death, but his ideas still prevail. In 1976 he said: We are a small country, we are an occupied country, but no colonialism can last 100 years, and no Panamanian will ever withstand it.

JAMAICA

SEAGA MARKS INDEPENDENCE, CALLS FOR UNITY

FL050015 Bridgetown CANA in English 1935 GMT 4 Aug 86

[Text] Kingston, Jamaica, Aug 4, CANA -- Jamaica was today marking its 24th anniversary of political independence from Britain in the shadow of a hard-fought municipal elections a week ago and with political leaders stressing the need for national unity.

But Prime Minister Edward Seaga, whose party received a drubbing in the elections and who is under pressure to call a national poll, also used the occasion to point to what he considers to be some of the successes of his administration since taking office in 1980.

The unity calls came against the backdrop of pockets of violence during the election, won by the opposition Peoples' National Party (PNP).

Seaga said his government in the past six years carefully nurtured for Jamaica a climate and image of stability which had contributed to investor confidence and growth in tourism.

That atmosphere had been characterised by the calm leading to the municipal elections, the prime minister said.

The local government elections are now behind us and the entire community must now settle down once more to the normal rhythm of everyday life, the prime minister said.

We must ensure that the outpouring of goodwill from the international community and from the Jamaican community overseas,which was experienced during the recent flood disaster, is not in any way jeopardised by the temptation in pockets of the community to disturb the atmosphere of peace and stability which has been so careful constructed, he added.

PNP leader and former Prime Minister Michael Manley said Jamaica was celebrating the independence anniversary in an unnecessarily and unfortunately tense political atmosphere.

Added Manley: We must stop behaving as there are two warring factions. We must be mature enough to recognise that those who lose today in the political tussle may be victorious tomorrow -- as has been the case on previous occasions.

He said that men and women who played, socialised, and worked together need not fight and harm each other because they favour different political parties.

... I cannot but feel sad that we have allowed political difference to drive a wedge of hate and anger between peoples in our communities, Manley added.

Last Tuesday's election was seen as a confidence vote on the Seaga government and the austerity policies of the past three years.

But Seaga insisted that his programmes were working and that the benefits were beginning to appear.

The past year, he said, had witnessed the revitalisation of the Jamaican economy in all its major sectors and...the rekindling of hope in all Jamaican hearts.

Today we are beginning to repeat [as received] the fruits of the sacrifices which the nation has been called upon to make over the past five years and the increasing success in tourism, agriculture, industry, commerce, and mining, are there for all to see.

SEAGA IN LONDON, FAVORS FINANCIAL SANCTIONS

FL041830 Bridgetown CANA in English 2055 GMT 2 Aug 86

[Text] Kingston, Jamaica, Aug 2, CANA -- On the eve of tomorrow's mini-summit in London of Commonwealth leaders on sanctions against South Africa, Jamaica Prime Minister Edward Seaga has called for financial rather than trade measures to pressure the Pretoria regime to end its policy of apartheid.

The government's JAMPRESS news agency report of a letter by Seaga to Commonwealth secretary general, Shridath Ramphal, did not outline specifically what measures the prime minister proposed.

According to JAMPRESS, however, Seaga told Ramphal that financial sanctions would have much quicker effect and would be less painful to the majority black population in the short term than trade measures.

This position has been taken as well by Britain and the United States which oppose effective economic sanctions against South Africa.

No government that I am aware of wants to see the South African economy destroyed, Seaga said. ...what we are all seeking to achieve is to put pressure on the South African Government that will oblige them to undertake real changes and bring an end to apartheid.

The Jamaican leader dismissed the argument that sanctions would hurt those in South Africa they were being promoted to help, pointing to the fact both black South Africa and the Frontline States had indicated a willingness to make the sacrifice because the alternative was no longer tolerable.

Seaga said that attempts at compromise with Pretoria had not worked, only buying time during which there was an escalation of violence and confrontation within South Africa and a debate among those already agreed that the system of apartheid should end.

The prime minister warned that if there was no change of position at the summit the need to find another compromise would run the clear risk of a rapid worsening of the situation.

ST VINCENT AND THE GRENADINES

OPPOSITION PAPER BACKS MITCHELL ON SECURITY

FL041835 Bridgetown CANA in English 2042 GMT 3 Aug 86

[Text] Kingston, St Vincent, Aug 3, CANA -- The newspaper published by the opposition United Peoples Movement (UPM) here has supported the stand taken by Prime Minister Mitchell of St Vincent and the Grenadines and his Barbadian counter part Errol Barrow on the question of regional security.

During last Tuesday's talks in Bridgetown on matters of mutual interest, the two regional heads of government agreed to maintain the Regional Security System (RSS) and to work within the framework of the memorandum of understanding, but pledged to hold the proposed treaty in abeyance and to work with the other signatory countries to arrive at a concensus.

In a front page editorial in its weekend issue the JUSTICE newspaper said the approach by Prime Ministers Mitchell and Barrow was a step in the right direction.

It welcomed what it described as the more realistic and sober approach of both prime ministers to this sensitive question.

The two leaders took power after the RSS had been set up by a group of English-speaking Caribbean countries including St. Lucia and Dominica. Both expressed reservations about the system.

Mitchell said he was opposed to any militarisation of the region.

Mitchell said he was particularly concerned about the opportunties for his country's policemen, as well as for their training and conditions of service.

Mitchell felt any funds made available for security purposes should be put to use in this regard, but reiterated his opposition to the militarisation of the region.

Shortly after returning home from the Bridgetown talks Mitchell said he and Barrow shared the common preoccupation for social and economic development, and believed that priority must be given to those areas.

We feel that once the economic and social development of the region is in order, security problems would be considerably reduced, Mitchell said in a radio and television statement here.

Mitchell said he and his Barbadian counterpart had agreed that they should pay particular attention to controlling illegal drugs and have their Coast Guard services work together in search and rescue operations and in patrolling their territorial waters to prevent fishing violations.

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ALFONSIN, SANGUINETTI LEAVE FOR COLOMBIA, MEXICO

PY051255 Buenos Aires TELAM in Spanish 1039 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- Argentine President Raul Alfonin today said that meetings like those of the "Group of Six," which he will attend in Mexico City, are always positive because they bring out arguments against the arms race and make it possible for the people all around the world to get to know the risks that mankind faces and to learn that the arms race must be stopped once and for all.

The Argentine chief executive this morning spoke at Ezeiza International Airport shortly before departing for Mexico with Uruguay President Julio Maria Sanguinetti, who will accompany Alfonsin to his first stopover in Bogota, Colombia. The plane departed Ezeiza at 0707.

Alfonsin also said that in Bogota we will embrace the president (Belisario Betancur) and later hold talks with the president-elect (Virgilio Barco), just as we do with all new presidents in Latin America.

He added that the heads of government of Mexico, Miguel de la Madrid; of Greece, Andreas Papandreou; of Sweden, Ingvar Carlsson; and of India, Rajiv Gandhi; and former President of Tanzania Julius Nyerere; and he will seek to strengthen their joint position, which is in favor of peace and worldwide disarmament and against the threat of nuclear war.

As to the conclusions that the "Group of Six" is expected to reach, Alfonsin said: We have already agreed on practically everything; therefore, we will issue a declaration signed by all of us.

Meanwhile, the Uruguayan president said that after his visit to Colombia with Alfonsin, he will travel to Brazil on an official visit. He added that this visit is part of a new phase of the protocol on the expansion of trade that was reactivated last year. This protocol will undoubtedly represent an important step forward in the quest for integration in which all the Atlantic states are involved.

CAPUTO DISCUSSES WESTERN TRADE POLICY, DETENTE

PY052025 Buenos Aires TELAM in Spanish 1839 GMT 5 Aug 86

[Text] Bogota, 5 Aug (TELAM) -- Foreign Minister Dante Caputo has said that Argentina has been unreasonably punished by the policy of subsidized prices of agricultural products adopted by the developed countries, adding that the Cartagena Consensus should meet to assess the influence of this situation in the region.

Uruguayan Foreign Minister Enrique Iglesias, meanwhile, said that he agrees with Caputo and that he is convinced that the Cartagena Consensus should meet before the end of the year. The two foreign ministers made these remarks in separate talks with reporters who are accompanying the presidential entourage. Caputo is heading the Argentine delegation to the inauguration of the new Colombian president, Virgilio Barco Vargas.

Referring to the meeting of the Group of Six that will open in Mexico tomorrow, the foreign minister stated that it will be held within a propitious setting of clear signs of detente among the great powers.

He stated that the Soviet Union as well as the United States seem to be showing a will for peace. Caputo added that even though we must study the proposal carefully, we cannot help but rejoice in this.

Caputo said that it is significant that this meeting of the Group of Six will be held a few days after the U.S. President made a proposal regarding defense in outer space. It is also important that the Soviet and U.S. Governments have decided that U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze will meet on 19 and 20 September, he said.

Caputo ended by stating that the Group of Six is setting a precedent in international policy, noting that this has great merit because it is very difficult to exert pressure without force. However, we are managing to do so.

U.S. GRAIN MEASURE TO AFFECT DEBT PAYMENT

PY060136 Madrid EFE in Spanish 1943 GMT 5 Aug 86

[By Alberto Francisco Arebalos]

[Text] Buenos Aires, 5 Aug (EFE) -- The U.S. decision to subsidize its grain sales to the Soviet Union and China presupposes a new and serious stumbling block for the payment of Argentina's foreign debt, which totals $50 billion. Argentina's economy minister last night officially announced that Argentina will ask its creditors for better terms for the payment of interest on its foreign debt to compensate for losses of export revenues due to the fall of grain prices.

The measure adopted on 1 August by the United States seriously affects the Argentine economy, 80 percent of which is based on exports of primary products, and it has caused immediate reactions by the Argentine Government and political parties, which have denounced "the disloyal U.S. attitude."

With exports totaling almost $9 billion and imports totaling $5 billion, Argentina is allotting almost $3 billion to the payment of interest on its massive foreign debt, the third largest in Latin America. As a first measure, the government of Raul Alfonsin will lift taxes on wheat exports to compensate for the prices that producers will receive for the grain. This decision means an $18-million loss for the government treasury, just as officials are fervently seeking to alleviate the financial and trade deficits.

In addition to the fall in prices -- Argentine wheat experienced a fall in 1 week from $80 to $70 per ton -- Argentina must also face the loss of markets since it is in no condition to sell subsidized wheat as the United States is doing.

An Argentine Agriculture Secretariat official told EFE today that "furthermore, the United States can finance its sales while Argentina, because of the need for currency, must carry out all its operations in cash, which further contributes to the loss of markets."

It has been noted that the Soviet Union, the main purchaser of Argentine grain in the last few years, bought less than 1 million tons of Argentine wheat in 1986 in comparison with a total of 17.5 million tons of grain it purchased in other parts of the world. The USSR has not complied with an agreement it made to purchase 5 million tons of grain from Argentina because for every 100 tons of wheat it purchases from the United States, it will receive "free" another 20 tons.

On his recent tour of Japan, President Raul Alfonsin was able to get Japan to buy over 3 million tons of grain, but the "new client" only replaces the Soviet Union; it does not mean an order for new grain shipments.

Concern over this matter has increased in Argentina in recent hours because of rumors that the EEC might adopt measures similar to those adopted by the United States so as not to lose clients and that this measure might also extend to other grains.

At any rate, the U.S. position has again shown the structural deficit of the Argentine economy which, only 15 years from the 21st century, continues to depend on the sale of grain and meat, just as it did in the last century.

Suspension Under Consideration

PY052047 Buenos Aires TELAM in Spanish 1841 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- Labor Minister Hugo Barrionuevo admitted here today that some government sectors are analyzing several measures to be adopted in view of the lower influx of currency caused by the subsidized price of U.S. grain. Among the measures is the suspension of some foreign debt payments.

The minister made this statement after a socioeconomic cabinet meeting at the Labor Ministry. The meeting was also attended by the economy, public works, and health ministers.

Deputies Urge Nonpayment

PY052316 Buenos Aires TELAM in Spanish 2251 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- National Deputies Antonio Cafiero and Jose Manzano today urged the National Executive Branch to suspend service payments of the part of the foreign debt that pertains to U.S. banks. The deputies, who belong to the Justicialist Renewal Faction, have submitted a draft resolution to the Chamber of Deputies in which they express their indignation regarding the position that the United States has taken with its international agricultural policy, which has negative effects on Argentina's development possibilities.

GOVERNMENT DENIES SUSPENSION OF CREDITS TO CUBA

PY052209 Buenos Aires TELAM in Spanish 2134 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- The Economy Minister today called inaccurate a report published by several morning newspapers about the suspension by Argentina of all commerical credit lines to Cuba. The ministry noted that, on the contrary, because of Cuba's difficulties meeting its foreign commitments, the two governments are conducting negotiations aimed at rescheduling Cuba's debt and allowing it to make additional use of existing credit lines.

DETAILS GIVEN ON FISHING ACCORD WITH USSR

PY051709 Buenos Aires TELAM in Spanish 0102 GMT 5 Aug 86

[Text] Buenos Aires, 4 Aug (TELAM) -- Agriculture, Livestock, and Fishing Secretary Lucio Reca today announced that the cooperation agreement on fishing which was signed in late July with the Soviet Union and Bulgaria will allow ships flying Soviet and Bulgarian flags access to Argentine waters. The agreement establishes that Argentina will grant port facilities to USSR and Bulgarian ships and facilities that include crew changes, repairs, and the supply of provisions.

Argentina will determine annually -- through the appropriate authorities -- the permitted catches of each species and the total Argentine fleet catch of each species, the authorized catch surplus of each species not fished by the Argentine fleet, the authorized catch surplus of each species, and the total catch that ships flying the USSR and Bulgarian flags will be authorized.

Argentina will also determine the areas in which fishing will be authorized; the size, type, and number of ships; and the number of days which each ship and the entire fleet may operate in a given area.

In turn, Reca stated that the Soviet and Bulgarian fishing fleets will be authorized to fish only within the territorial zone through fishing licenses issued by the appropriate authorities, and that, once they receive that license, they will have to comply with the terms of the agreement signed, the supplementary agreements, the laws and regulations of the Argentine Republic, and the instructions of the appropriate authorities.

CHAMBER OF DEPUTIES SCORES U.S. AID TO CONTRAS

PY012315 Buenos Aires DYN in Spanish 1305 GMT 1 Aug 86

[Excerpts] Buenos Aires, 1 Aug (DYN) -- [passage omitted] At the end of its deliberations, the Chamber of Deputies approved a statement "repudiating" the intervention in territories of Latin American countries "of any foreign power" and expressing "concern" over the U.S. Congress decision to support economic aid of $100 million to the so-called Nicaraguan contras.

The statement, which was supported by deputies of the Radical, Justicialist, Intransigent, Christian Democrat, and the UCD [Democratic Centrist Union] blocks, as well as by the provincial blocs, also supports the negotiations being conducted by the Contadora Group for a peaceful solution of the Central American conflict. [passage omitted]

WALDNER URGES SENATE TO APPROVE SECURITY LAW

PY052257 Buenos Aires CLARIN in Spanish 1 Aug 86 p 7

[Text] During a meeting with legislators called by the Senate committee headed by Radical Civic Union [UCR] Senator Antonio Berhongaray, Brigadier General Teodoro Walnder, chief of the Armed Forces Joint Staff, yesterday stressed to the Senate the "urgent need" to approve the National Defense Bill which is being studied by the Senate.

Twenty-one senators listened to Waldner's impressions of this bill, which has already been approved by the Chamber of Deputies. He referred to the importance that the law will have for the current military structure, which must be regulated by a law like this bill. The Chamber of Deputies approved the bill in August 1985, and the possibility of the Senate making substantial changes in it has been ruled out.

On successive Thursdays, the chiefs of staff of the Navy, Admiral Ramon Arosa; the Air Force, Brigadier General Julio Crespo; and the Army, General Hector Rios Erenu, will report on the bill to the Senate.

In all these reports, special attention will be paid to the role of the Armed Forces in the event of a resurgence of subversion.

Waldner said that in such circumstances, military action would be essential should the security forces be overwhelmed, citing Spanish legislation to support his contention.

On the same issue, Senator Berhongaray emphasized the term "firepower" in the bill, which refers to the capability of an internal enemy. If this "firepower" exceeds that of the security organizations (police, border police, etc), the Armed Forces would intervene. He cited as an example the Nicaraguan contras. Can Commander Ortega fight them with the police alone?" he asked.

Corrientes Senator Ricardo Leconte stated that "this must be regarded very seriously."

He argued that this is the situation "because Argentina has gone through a difficult experience and is living in the world of today, which is experiencing the aggression of international terrorism."

Peronist Horacio Bravo Herrera stated that "the national security doctrine must not be abolished." He is thus opposed to the position of the Renewal Faction in the Chamber of Deputies. Yesterday the leader of the bloc, Humberto Martiarena, asked most of the questions at the meeting held with Waldner in the Pink Hall. Martiarena disagrees with Bravo Herrera's position, just as UCR Senator Ricardo Lafferriere is not absolutely in agreement with Berhongaray's position. UCR Deputy Balbino Zubiri, chairman of the Chamber of Deputies Defense Committee, also disagrees with Berhongaray's position.

Peronist Senator Liliana Gurdulich de Correa agrees that the military cannot be indifferent to interior security. She is a member of the bloc headed by Senator Vicente L. Saadi. The Peronist Renewal Faction has received a petition for a meeting from the Human Rights Permanent Assembly, which is interested in responding to Bravo Herrera's position. It may do so next week.

Senators from the various blocs who seem to be committed to debating the bill by the beginning of September were present at the meeting yesterday. The Chamber of Deputies must also approve it in September before the end of the regular session [as published].

MOSSO REPLACES ROSSI AS DEFENSE SECRETARY

PY052240 Buenos Aires TELAM in Spanish 2159 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- Defense Minister Jose Horacio Jaunarena today accepted the resignation tendered by Defense Secretary Hector Rossi, who had been installed on 6 June. Upon making the announcement, a Defense Ministry spokesman said that National Deputy Alfredo Miguel Mosso (Radical Civic Union, Mendoza Province) will be appointed as new defense secretary.

PUBLIC EMPLOYEES RECEIVE SALARY INCREASES

PY021214 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2110 GMT 1 Aug 86

[Text] Buenos Aires, 1 Aug (NA) -- The government announced today that it has granted a "selective" salary increase to public employees for the July-September quarter. This increase will be 29 percent for those in the lower salary grades, which includes the majority of public employees. Those in the upper grades will receive an increase of between 16.6 and 20 percent. This report was released this afternoon through Decree No 1282.

STUDENTS STAGE DEMONSTRATION OUTSIDE U.S. EMBASSY

PY052359 Paris AFP is Spanish 2345 GMT 5 Aug 86

[Text] La Paz, 5 Aug (AFP) -- Nearly 200 students of the Greater University of San Andres, Bolivia's most important university, today held a meeting at the door of the U.S. Embassy to protest the presence of 170 U.S. soldiers in Bolivian territory. The students shouted slogans against the government of President Victor Paz Estenssoro and rejected what they regard as foreign intervention and the violation of the national sovereignty under the pretext of fighting the drug trade.

The number of policemen charged with guarding the U.S. Embassy was doubled to prevent any act of violence and U.S. officials prevented strangers from entering the embassy offices, located on a downtown street of La Paz.

LETTER TO SEVERAL COUNTRIES ASKS FOR ANTIDRUG AID

PY041629 Paris AFP in Spanish 1352 GMT 3 Jul 86

[Text] In a note signed by Foreign Minister Guillermo Bedregal Gutierrez, Bolivia has asked the international community for cooperation similar to that now being given by the United States, in helping to eradicate drug trafficking, it was officially reported today in La Paz.

The letter is addressed to the Vatican, the FRG, Italy, Spain, Great Britain, the United States, France, Belgium, and to some specialized international organizations.

According to the note, the logistical support now being received from the United States, with the arrival of 170 soldiers, 6 helicopters, and communication equipment, is only the beginning of a responsible and permanent policy against drug trafficking. Unfortunately, the letter says, economic and technical limitations make it necessary for such help, in donations, equipment, training of specialized personnel, soft credits or supply of materials, be granted by other developed countries.

The news of the foreign minister's letter was released just when there are growing protests over the presence of U.S. troops in Bolivia without congressional authorization. It was recalled that 48 hours ago, the Council for the Defense of National Sovereignty was constituted to demand the immediate withdrawal of the U.S. soldiers. This council comprises 30 labor organizations from all over the country, 25 political parties, 30 peasant, womens, civic and university institutions, and some 300 individuals.

DIPLOMATIC RELATIONS ESTABLISHED WITH KUWAIT

PY051702 La Paz EL DIARIO in Spanish 29 Jul 86 p 3

[Communique issued by the Foreign Ministry on 28 July]

[Text] With the goal of strengthening the friendly ties and cooperation between the Republic of Bolivia and the State of Kuwait and their peoples, the Governments of the Republic of Bolivia and the State of Kuwait, pursuing the high principles of relations between nations and peoples and in accordance with their mutual interests, have agreed to establish diplomatic relations between the two countries at the ambassadorial level in accordance with the UN Charter and international law.

The Governments of the Republic of Bolivia and the State of Kuwait have decided to establish diplomatic relations beginning 28 July 1986.

[Signed] Ambassador Mohammed A. Abulhasan, representative of the State of Kuwait

Ambassador Jorge Gumucio Granier, representative of the Government of the Republic of Bolivia.

New York, 28 July 1986

MINEWORKERS SUSPEND STRIKE UNTIL 12 AUGUST

PY051919 Madrid EFE in Spanish 0224 GMT 5 Aug 86

[Text] La Paz, 4 Aug (EFE) -- A national mineworkers strike that began on 30 July has been suspended until 12 August by decision of the mineworkers union because the government has partially met the miners' demands. The indefinite mineworkers strike, which last week was extended nationwide, was decreed in demand of a salary increase, the supply of food, the provision of equipment and tools, and the supply of medicines. With this measure, the mineworkers want the authorities to define clearly the future of the State Mining Corporation of Bolivia [Comibol], which is currently experiencing critical financial difficulties, and all the mining sectors that depend on it.

Simon Reyes, leader of the Trade Union Federation of Bolivian Mineworkers [FSTMB], has stated that the strike has been temporarily suspended in view of the government's commitment to solve the salary conflict "as soon as possible and in the best manner possible."

Mining and Metallurgy Minister Jaime Villalobos has sent a note to the FSTMB announcing the immediate dispatch of supplies to the mines and an increase in salaries.

Reyes Rivera stated, however, that the note makes no reference to the request for restructuring Comibol in the districts of Oruro and Potosi, the biggest mining centers.

For this reason, he stated, the strike has been "suspended" until 12 August, with the threat of resuming it if the executive branch does not pay attention to Comibol.

BRIEFS

PERUVIAN ENVOY PRESENTS CREDENTIALS -- Peruvian Ambassador to Bolivia Alfonso Rivero Monsalve on 8 July presented his credentials to President Victor Paz Estenssoro. [Text] [La Paz PRESENCIA in Spanish 9 Jul 86 p 9 PY]

SARNEY TO MEET SANGUINETTI IN MARANHAO 8 AUGUST

PY041648 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jul 86 p 7

[Text] Brasilia -- The Planalto Palace yesterday began preparations for a meeting between Brazilian President Jose Sarney and Uruguayan President Julio Sanguinetti in Sao Luis do Maranhao on 8 August. Sarney will meet the Uruguayan president at 1500 at Tirirical airport. Sanguinetti will spend the night there and, after a luncheon on 9 August, travel to Salvador, in Bahia State.

Sarney will take advantage of his visit to Maranhao to participate in the local political campaign. Since he last visited Maranhao in June, Sarney has participated in a rally and introduced PMDB [Brazilian Democratic Movement Party] Deputy Epitacio Cafeteira as his candidate for governor. This time, the president will be supporting PFL [Liberal Front Party] Deputy Joao Alberto, the candidate for vice governor on Cafeteirs's ticket. Sarney will go to Teresina, Piaui State, on the afternoon of 9 August. From Teresina, Sarney will travel 70 km by bus to Caxias, Maranhao State, where Alberto's constituent stronghold is located. A big rally is being prepared. The president's arrival time has yet to be confirmed by Planalto Palace.

FUNARO, ARGENTINE MINISTER DISCUSS FOREIGN DEBT

PY051639 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jul 86 p 7

[Excerpt] Buenos Aires -- Brazilian Finance Minister Dilson Funaro and Argentine Economy Minister Juan Sourrouille yesterday held a secret meeting and, according to a government source, discussed details of mutual interest concerning the foreign debt issue. The two ministers have been discussing this matter for a few months. So far, they have agreed on the negotiations they are conducting with the foreign creditors, although both believe that the Cartagena Consensus is the most appropriate political forum for a comprehensive discussion of their foreign debts.

In the Brazilian and Argentine cases, there is a firm belief that neither of the two economies should suffer a recession because they continue honoring their debt commitments. Likewise, there is an understanding that Brazil now has more leeway concerning the trade balance, something which permits Brazil to make up-to-date payments on the interest and the principal. This is not yet the case, however, with Argentina. Insofar as there was agreement on economic coordination of the economic programs, the next step of the Brazilian and Argentine Governments concerning this point will be to hold discussions to demonstrate to the IMF -- in the Argentine case -- and the creditors -- in the Brazilian case -- what funds they are able to allocate to paying the debts.

In an exclusive interview with O ESTADO DE SAO PAULO, Argentine Economy Minister Juan Sourrouille did not rule out the possibility of creating a new group of countries that will operate the same way as the Group of Seven is operating. He noted, however, that "for the time being we are just two."

In the opinion of the Argentine minister, the "foreign debt is a brake on the development potential of the two countries. The decision to make bilateral adjustments on the economic programs is a milestone. The two countries believe that the service payments to the debt represent an insupportable burden."

Sourrouille reasserted that the government assigns top priority to economic growth, but that the unfavorable conditions of the balance of payments compel Argentina to take special steps to service the foreign debt. [passage omitted]

DETAILS OF GOVERNMENT 'PLAN OF GOALS'

PY011850 Rio de Janeiro O GLOBO in Portuguese 24 Jul 86 p 28

[Text] Brasilia -- The Plan of Goals foresees a total investment of 1.392 trillion cruzados up to the year 1989. About 37 percent of the funds needed to implement the plan will be provided yearly by the National Development Fund. Under the Plan of Goals, the government intends to invest, in a joint effort with the private sector in infrastructure projects and in the social area, raising the percentage of investments in the country from the present 17.6 percent of the gross national product (GNP) to 21 percent in the next 3 years.

The Plan of Goals, using half of its funds (695.2 billion cruzados) in the social area, hopes to achieve the following objectives, among others, by 1989: the eradication of illiteracy; the creation of 1.65 million jobs per year; the eradication of poliomyelitis and rabies; the installation of 4.6 million telephones in urban areas; and guaranteed food production of 71.6 million tons. The plan also makes the following proposals:

Social Area -- The programs of supplementary nourishment should assist 15.9 million pregnant women, wetnurses, and children. It is the beginning of the investment in the country's future labor force, followed by the National Program of Milk Distribution for Needy Children (10 million children up to 6 years old with a liter of milk for each one), and the National Program of School Nourishment, which will help pupils from 7 to 14 and their brothers and sisters of 4 to 6, totaling 34 million children.

In order to eradicate illiteracy, the government intends to offer public education to all children from 7 to 14 years of age, involving 25.4 million children. Housing conditions need to be improved and, with that purpose in mind, the government intends to expand the National Housing Plan, giving priority to the low-income population with the construction of 1.7 million low-cost houses.

These measures have to be complemented by creating jobs in order to later overcome the present stage of social welfare policy, as defined by Planning Minister Joao Sayad. With the investments in the economy, the government intends to create 6.6 million new jobs from 1986 to 1989. This should generate enough work to assimilate 5.6 million new workers in the job market, as well as 1 million people who now are unemployed. The investments for the next 3 years in the social area should reach 695.2 billion cruzados.

The Economy -- One of the main problems that surfaced after the price freeze, which resulted in the improvement of the purchasing power of the population, was an immediate increase in consumption not accompanied by growth in the supply of goods and services.

To correct this distortion, the government wants to expand the capacity of sectors that produce essential consumer goods at a minimum rate of 6 percent a year, meeting the normal demand and that generated by the social programs.

One of the bottlenecks on the road to industrial growth is the low production of the metallurgic industry. The plan considers the necessity to expand annual steel production capacity from the present 13.2 million tons to 17.3 tons in 1989. In addition to the adequate supply of steel plate to the domestic market, the expanded capacity will mean the continued participation of the country in the international market and the generation of an annual flow of $1.5 billion.

The present state of agriculture is also not adequate to satisfy the growing demand for food, as determined by the higher buying power and by the access to the market, through the social programs, of formerly marginal individuals. For the government to be able to implement these social programs and rid itself of the need for food imports, it will be necessary for Brazilian agriculture to be able to produce by 1989 a minimum of 71.6 million tons of grain.

To reach that goal, the offer of credit for new investments will have to grow from the 1984 figure of 4 percent of agricultural production and the 8 percent of this year until it reaches 15 percent of agricultural production by 1989. Besides the easier credits, the adopted policy of establishing minimum prices for agricultural products aims to guarantee income stability for the producers, by which it will be possible to collect again strategic stocks of food and increase productivity.

All measures to assist the agricultural sector, including the increase of 27 percent in storage capacity, will have to be accompanied by the improvement and opening of roads and the remodelling of rail and port facilities. The government will have to invest 638.2 billion cruzados in the infrastructure of the productive sector.

Infrastructures -- In order to maintain the proposed 7-percent annual growth, the government will need to restructure the public sector, in which it intends to invest 59,2 billion cruzados. The first service to be dealt with will be electricity, increasing the generating capacity by 32.5 percent, and extending the transmission network with the addition of 6.382 million km of new lines.

The docking capacity of ports also will have to be increased by 22.5 percent, and the cargo capacity of the railway system by 28 percent. Access to the telecommunication system also needs to be extended to a broader stratum of society. The improvement of this service will be obtained by increasing the number of existing rural telephones by 65 percent and urban telephones by 40 percent.

During this period the government also wants the Ferro-Carajas project to reach full capacity, with the production of 35 million tons a year totally menat for exports, and to increase gold production from 8.3 tons a year to 42 tons a year in 1989.

WORKERS ORGANIZATION RECEIVED FOREIGN MONEY

PY051908 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Aug 86 p 1

[Text] The Federal Police have seized a cash book that was kept by Maria Tereza Aguiar Notari, a Sole Central Organization of Workers (CUT) employee.

The cash book registerers, from June to November 1983, five receipts of money from abroad, totaling 66,453,102.35 cruzeiros (the equivalent of 1.37 million cruzados now), which has been used to finance trade union activities in Brazil, among them 14 "workers meetings" in several states. The cash book was seized on 22 April at Aguiar Notari's apartment in the Liberdade district (in downtown Sao Paulo). The Federal Police traced Aguiar Notari after they established a connection between the holdup perpetrated in April by PCBR (Brazilian Revolutionary Communist Party) members of a Bank of Brazil branch in Salvador (Bahia State) and the clandestine activities of former Air Force Sergeant Antonio Prestes de Paula. Aguiar Notari, who is now in Rio de Janeiro participating in a CUT meeting, appears on the Federal Police records as Prestes de Paula's concubine.

The cash book entries show that from 6 June 1983 (the date the account was opened) to 30 November 1983 (the date the last expense was posted), six foreign institutions furnished or served as a channel for sending money to Brazil. They are: the "St. Interk Coordinate"; the "Int'D Conf. of Free Herbys Potageres"; the "Comm. Ortwikkellings" (which the authorities believe is Dutch); and the well-known "Lloyd's Bank Int. Limited" (English). FOLHA DE SAO PAULO has investigated the institutions recorded by Aguiar Notari and, with the exception of the "Lloyd's Bank," they are unknown to the military intelligence services that keep up with the arrival of foreign capital for Brazilian political parties, clandestine organizations, and trade union organizations. Yesterday in Rio de Janeiro, CUT President Jair Meneguelli did not wish to comment on the problem, while Aguiar Notari said that she will only speak if authorized by the CUT.

GOVERNMENT SEEKS JOINT ANTIDRUG EFFORTS

PY311625 Madrid EFE in Spanish 2119 GMT 30 Jul 86

[By Adalid Cabrera Lemuz]

[Excerpt] Brasilia, 30 Jul (EFE) -- Federal Police Director General Romeu Tuma today confirmed that Brazil will ask Bolivia and Paraguay to sign a joint accord to fight international drug gangs along their borders. Tuma explained that the objective of the accord, which will be negotiated by the Brazilian Foreign Ministry, will be to strengthen antidrug actions, to make them more efficient, and to prevent Brazil from becoming an alternative drug trafficking base. Tuma who observed the Brazilian-Bolivian border over the weekend, termed positive the operations that Bolivian and U.S. military troops are jointly conducting against cocaine traffickers in Bolivian territory. [passage omitted]

POLICE INVESTIGATE 'CLANDESTINE' ROADS

PY301945 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 30 Jul 86

[Text] The Federal Police are investigating the alleged existence of supply depots for Bolivian drug trafficking in Brazilian territory. The police are also investigating charges made in Rondonia about the operation of new gangs in areas bordering Bolivia. These gangs work with stolen cars and in drug trafficking. The Federal Police have also reported that there are signs indicating that clandestine roads might have been constructed in Bolivia to facilitate the trafficking of cars stolen in Brazil.

GOVERNMENT REJECTS CHARGES AGAINST SENATOR HELMS

PY062344 Santiago Radio Chilena in Spanish 2300 GMT 5 Aug 86

[Passages within quotation marks recorded]

[Text] The Chilean Government rejects all charges that have been made against U.S. Senator Jesse Helms about the alleged passing of U.S. secret information to Chile. This is what Francisco Javier Cuadra, the minister secretary general of government, said today after a regular session of the Government Junta.

The secretary general of government said that at no time were these issues discussed in the few contacts that the U.S. senator had with Chilean authorities.

[Cuadra] "Everyone has some notion of the sort of operations that are carried out by the so-called CIA, and this is not the first time we have heard that this kind of operation is being carried out outside the United Staes. Therefore, we are not surprised by this. But we reject all charges that have been raised against Senator Jesse Helms because at no time were these issues discussed in the few contacts he held with Chilean authorities, despite reports by some ill-intentioned members of the U.S. media."

Asked about the comment by Carabineros Commander Rodolfo Stange regarding a dialogue with representatives of different opinion groups, Cuadra said he agreed with Stange.

[Cuadra] "Since 11 September 1973, the Armed Forces government has always called upon all national sectors of goodwill to cooperate with the authorities and to look beyond present issues because this is the duty of everyone who is interested in serving the people through the approval of those measures that must regulate the national social, political, and economic coexistence. From this point of view, all the efforts made by the authorities aim to achieve an understanding among all persons who make up the Chilean nation."

Francisco Cuadra also agreed with Gen Stange regarding a possible amendment of the 1980 Constitution.

[Cuadra] "I would say that in theory all laws, not just constitutional laws, are subject to amendments. In practice, constitutional amendments are generally effective only if they respond to certain political, economic, and social requirements within the framework of the respective political processes. Let us note, for instance, that one of the most important constitutional amendments to the 1925 Constitution was the so-called statute of guarantees, which was requested by the Christian Democratic party and the Popular Unity Party [UP]. We realize that, although it was very important at the time, it did not fulfill any real function because the UP did not respect it."

Regarding the two attacks against Osorno Bishop Miguel Cavieres, Cuadra said that these actions must be categorically repudiated because they violate human rights.

[Cuadra] "All terrorist attacks must be repudiated because they represent an ideological position based on violence as a political method. The Chilean Constitution, which is the basis of institutionality, establishes that terrorism is categorically opposed to human rights. On this basis the government rejects all these actions, no matter who is affected, no matter his post, his duty, or his function within society, because the essential thing is that a human being is affected by these incidents.

"Moreover, the government appeals to all citizens to truly reject terrorist actions by going beyond words and acting against the true causes of violence, that is, against those persons and groups that adopt violence as a social ideal, as a method of political action that is rejected from any point of view, and fundamentally from a moral point of view."

During its meeting, the Government Junta approved four draft bills, one of which calls for the establishemnt of ministerial secretaries at the regional level.

Garcia Discusses Charges

PY052354 Santiago Radio Chilena in Spanish 1700 GMT 5 Aug 86

[Text] Interior Minister Ricardo Garcia, referring to rumors that Republican Senator Jesse Helms has allegedly supplied Chilean authorities with secret U.S. information, said that every country has a right to make the remarks it desires, no matter how absurd they may be, but I think that the United States should reconsider what it says.

The minister went to the Diego Portales Building, where he attended the opening of the first national meeting of kindergarten teachers. On this occasion he referred to terrorist attacks during the past few days.

[Begin recording] [Garcia] The entire citizenry shares the feeling of disgust and sadness over the fact that there are people in Chile capable of these crimes that affect innocent people who happened to be near the terrorists' bombs. They [word indistinct] sadness and disgust.

[Reporter] Is there any chance that the government will strengthen security measures in the country and in the capital because of these attacks?

[Garcia] No. As I have said before, circumstances are constantly evaluated and the government adopts the measures necessary according to each case. [end recording]

Minister Garcia was also asked about rumors that a U.S. Senate committee has demanded an investigation to determine whether Senator Jesse Helms warned the Chilean Government about an intelligence operation being carried out by the United States.

[Begin recording] [Reporter] What do you have to say about the charges against Senator Helms for allegedly having spied for Chile?

[Garcia] I believe that each country is entitled to make the remarks it desires. I believe that the United States should reconsider what it is saying. We do not interfere in the domestic affairs of other countries. [end recording]

It was learned that the investigation of this case was turned over to the FBI. Republican Senator Jesse Helms of North Carolina visited Chile recently. During his stay in our country he criticized U.S. Ambassador Harry Barnes, especially the fact that Barnes attended the funeral of Rodrigo Rojas.

DEL VALLE EXPRESSES INTEREST IN JOINING NEW GROUP

PY051917 Madrid EFE in Spanish 0121 GMT 5 Aug 86

[Text] Santiago, 4 Aug (EFE) -- Chilean Foreign Minister Jaime del Valle today described as "extremely interesting" the possibility that his country may join the integration agreements recently signed between Brazil and Argentina.

Del Valle said this in reply to remarks by Brazilian business leader Ruy Barreto, who praised the Brazilian-Argentine policy of integration and added that after Uruguay, "Chile must be the next country to join this initiative."

Barreto, who presides over the Brazilian Foundation for Foreign Trade Studies, added that the agreement signed in Buenos Aires between Presidents Sarney and Alfonsin must be considered an important step toward the creation of a Latin American common market.

Interviewed just before leaving for Bogota to attend the inauguration of the new Colombian president, Del Valle said that he finds the possibility presented by Barreto "extremely interesting."

He added: "We are in favor of integration, provided the framework of that integration is equally convenient and advantageous for all countries."

OSORNO BISHOP SUSPECTS SECOND ATTEMPT

PY052338 Madrid EFE in Spanish 1529 GMT 5 Aug 86

[Text] Santiago, Chile 5 Aug (EFE) -- According to Osorno Bishop Miguel Caviedes he has been the victim of two attacks in recent days. In addition to the shot that was fired at his house on the evening of 2 August, which passed centimeters away from where he was sitting, his car was intentionally damaged the following day when he was visiting a town in his diocese, 800 km south of Santiago.

To investigate the first attack the courts have appointed a special judge who requested the advice of ballistic experts, who were able to determine where the shot was fired. They also found a Colt 45 revolver shell casing. During the investigations of the first attack, the bishop was the victim of the second attack, which occurred when he was driving his car back to Osorno from the town of Rio Negro. The car caught fire.

According to a local mechanic, one of the hoses of the car's engine was cut with a sharp tool. As a result of this, fuel leaked onto the electrical system. During his pastoral visit to Rio Negro the bishop left his car parked for over 2 hours.

ANALISIS MAGAZINE SEEKS READERS' SUPPORT

PY060141 Santiago Radio Chilena in Spanish 1700 GMT 5 Aug 86

[Excerpt] In view of economic damage caused by the suspension of three of its issues, ANALISIS magazine will carry out several activities to try to obtain a tangible expression of solidarity from its readers. During a press conference journalist Maria Olivia Monckeberg read a public statement on the subject, which also notes the arrest of ANALISIS director Juan Pablo Cardenas. [passage omitted]

AZCONA ON DELIMITATION TREATY, POTENTIAL FRICTION

PA051423 San Pedro Sula TIEMPO in Spanish 4 Aug 86 p 3

[Text] Minutes after he signed the maritime delimitation treaty with Colombia on San Andres Island, Honduran President Jose Azcona Hoyo said: "The delimitation of borders between two states constitutes a potential source of frictions or disputes."

This is the text of President Azcona's speech on 2 August:

Mr President: First of all, I want to express my great satisfaction for being on this piece of Colombian soil, enjoying your country's traditional hospitality, warm friendship, and democratic identification.

Since our two nations became independent, their peoples and governments have been aware that they shared borders on this Caribbean Sea. Over the years, the sense of proximity has been expressed in various forms of positive cooperation, either by sharing certain maritime areas for fishing activities by citizens of the two countries or exchanging experiences between their respective naval forces.

Nevertheless, history shows and international law acknowledges that the delimitation of borders between two states is a potential source of friction or disputes even between those countries that, like Honduras and Colombia, happily keep the friendliest of relations.

The maritime delimitation treaty that we, the presidents of Colombia and Honduras, have signed today constitutes another landmark in this old friendship, because this treaty puts a peaceful and civilized end to a controversial situation regarding the delimitation of maritime borders.

We have concluded this treaty via negotiations, a procedure described as the golden rule of diplomacy, because solutions have been agreed upon, not imposed. This guarantees that the situation has been fully accepted by the two sides, because the interest of each has been equitably taken into consideration.

I always believed that internationally delimited borders, whether terrestrial or maritime, must constitute links of unity, not dividing lines. Now that the jurisdictions of Colombia and Honduras have been legally set in the Caribbean Sea, new agreements for zones of common exploitation, protection of marine species, vigilance against drug trafficking, and protection of the democratic system that our peoples have chosen freely can be negotiated.

Regarding fishing activities, in which our two countries are developing an efficient industry, perspectives for effective cooperation also appear very promising, considering in particular that the Serranilla Cay area has been a traditional fishing ground for Hondurans whose efforts and devotion must be duly preserved and encouraged.

I feel that this treaty is a very important step in the relations between our two countries and an undeniable example of the solidarity that will serve as the basis for what we expect to be permanent and democratic peace in the Caribbean.

I also feel that this act becomes more important because it has occurred on the day before you, Mr President, will hand over command to your legitimate successor.

Finally, I want to express my admiration and deep sympathy for your having concluded your constitutional term guaranteeing free and honest elections in which the Colombian people expressed their will. In the convulsed world in which we live, this is the best proof of a deep democratic conviction that the Honduran people and government share with our hearts.

I am sure that on 7 August, with the same and justified citizen's pride, you will also be able to say the most beautiful words that a president can utter: I have done my duty.

ALFONSIN, SANGUINETTI ARRIVE FOR INAUGURATION

PA052254 Bogota Television Service in Spanish 1730 GMT 5 Aug 86

[Text] Argentine President Raul Alfonsin has met with Colombian President-elect Virgilio Barco Vargas at the latter's residence. Alfonsin arrived at the Catam Military Airport this morning accompanied by Uruguayan President Julio Maria Sanguinetti. Mari Villalobos reports their arrival.

[Begin recording] [Villalobos] Scarcely 50 hours before the presidential inauguration, Presidents Raul Alfonsin and Julio Maria Sanguinetti arrived in Colombia as special guests to the president-elect's inauguration. President Alfonsin is meeting now with President-elect Barco. This afternoon he will meet with President Betancur to discuss the general situation on the continent. The main topics on their agenda are the Contadora Group's peace efforts and the results of the Cartagena Consensus. Here are Alfonsin's comments concerning the Support Group's future:

[Alfonsin] Unfortunately, there has been a retrogression, but I still feel that we should not become less enthusiastic about the actions that we must carry out in order to find solutions. Of course, President Betancur has set the example in this task.

[Villalobos] The Argentine president also said that in order to solve the difficult problem of Latin America's foreign debt, our countries should struggle for a new international economic order. Uruguayan President Julio Maria Sanguinetti spoke of the problems shared by the nations in the southern part of the continent.

[Sanguinetti] We all share the phenomena of protectionism by the industrialized countries, foreign debt, and the consequences of drug trafficking. Fortunately for us, we do not share the phenomenon of terrorism. [end recording]

The two visiting presidents are now having lunch at the Narino Palace with President Betancur and President-elect Barco.

RAMIREZ OCAMPO ON GOVERNMENT'S FOREIGN POLICY

PA051737 Bogota Television Service in Spanish 0000 GMT 5 Aug 86

[Text] Here in Colombia, Foreign Minister Augusto Ramirez Ocampo has spoken to newsmen from "24 Hours" [name of newscast] about President Betancur's government's foreign policy.

[Begin recording] [Reporter] The first decision made by Betancur's government in the area of foreign affairs was the integration of Colombia into the Nonaligned Movement.

This group, formed by 121 nations, appears in political matters to act independently of the United States and the Soviet Union.

[Ramirez] Our membership in the Nonaligned Movement is fully justified, because we believe that Colombia should not follow the policy of joining blocs; we think that Colombia needs to get into the world and needs to work harder with the developing world.

[Reporter] After that, the Contadora Group was formed. Colombia, Mexico, Venezuela, and Panama became interested in a peace project for Central America. With the exception of El Salvador and Guatemala, Colombia has borders with the rest of the Central American nations.

[Ramirez] In these 4 years, we indeed prevented the conflict from exploding with all the violence that exists in each of those countries. It is true that the peace document has not been signed yet. The signing of the document is still up in the air. Really, as you point out, the signing of the document has been disturbed by certain actions of the various countries. The thing we cannot do is replace the will of the countries. They are the ones that have to decide on their destinies, without pressure, and I want to be very clear on that.

[Reporter] To what extent did the United States interfere with that measure to put out the fire in Central America? Second, you are referring to a very well made document. Is it equal to having a check for $1 million without the issuer's signature?

[Ramirez] It is a check with enough funds. You can draw against it. Another thing is that, indeed, it has not been signed yet. The important part is that we found a Latin American solution to the crisis. It is now up to the will of the five countries to join that solution or not.

I would not like to point out those countries which have not fulfilled their compromises by name. Generally, it is understood that people speak only of the U.S. support for the contras. However, we are also talking about the support given to the subversive force in El Salvador, for them to try to overthrow a government legally established. Thus, in that regard, we have to be clear, because regarding the peace agreement, interference has come from the two sides.

[Reporter] During Betancur's government, Colombia expanded its maritime territory by 1 million sq km. However, it did not make any progress in the delimination of marine and submarine areas with Venezuela. The limits with Jamaica and Nicaragua are still pending as well.

[Ramirez] We have had talks with Venezuelan authorities in order to establish a modus operandi for the negotiations, for them to be completed sometime. It is impossible to maintain endless negotiations.

[Reporter] If negotiations cannot be indefinite, how could they be limited in time, and when?

[Ramirez] That is precisely what we have been negotiating. A mutual agreement should find a way to replace direct negotiations in case they are not completed within a definite period of time. [end recording]

GEN SAMUDIO TO BECOME NEW DEFENSE MINISTER

PA060328 Bogota Television Service in Spanish 0000 GMT 6 Aug 86

[Text] General Rafael Samudio Molina will be the new defense minister. The generals of the republic have agreed with the new government on his selection. Four generals, then, will retire.

Current Defense Minister Miguel Vega Uribe, Air Force Commander Augusto Moreno, Navy Commander Admiral Tito Garcia Metta, and Police Commander General Victor Delgado Mallarino will retire. Contacts are being made within the Armed Forces to appoint commanders of the Navy, Air Force, Army, and the police.

ARMED INDIVIDUALS BUY ENTIRE NEWS EDITIONS

PA060052 Bogota EL TIEMPO in Spanish 2 Aug 86 pp 1-a, 2-a

[Text] EL TIEMPO and EL ESPECTADOR did not circulate in Cali Friday because unidentified individuals armed with machine guns purchased thousands of copies sent there by the two newspapers. The same thing occured to EL ESPECTADOR on Thursday. At 0230, Friday, armed individuals in four jeeps arrived at the EL TIEMPO bureau in Cali and saying they wanted to buy all the copies sent by airplane from Bogota. "We have orders to purchase all of them," they said. One of the drivers who brought the packages of newspapers from the Cali airport to the bureau said that he sold a newspaper to some men. He said they glanced at it and said: "That is it." They then headed toward the city in a jeep.

The EL TIEMPO employees told the armed individuals that they could not sell them the entire edition because company policy is to sell the newspapers in the streets and to the subscribers. In view of this, the unidentified individuals waited until the newsboys went out to the streets and paid them 100 to 200 pesos for each newspaper without any explanation.

Something similar occurred to EL ESPECTADOR on Thursday and Friday. Unidentified individuals purchased the entire edition of 31 July and tried to pay in advance for the 1 August edition. Friday's operation took place simultaneously at the offices of both newspapers. In Friday's issues, the two newspapers carried reports on the assassination of Judge Hernando Baquero Borda and a translation of the book, "The Underground Empire," which makes disclosures about cocaine traffic in the United States and mentions the names of the main Colombian drug traffickers. They also carried sports, cultural, and economic news. EL ESPECTADOR published the first reports on the book Thursday, with photographs of Jose Santacruz Londono, Gilberto Rodriguez Orejuela, and Santiago Ocampo, citizens of Cali whom the author of the book considers to be the main Colombian drug traffickers. The authorities have not issued any official statement on what took place in Cali. They only expressed surprise about not finding the newspapers on their desks. Meanwhile in Bogota, the newspapers received many calls from Cali readers complaining about the lack of newspapers. A spokesman for EL ESPECTADOR said that "the same thing occurred in Medellin some time ago when we published reports involving Pablo Escobar Gaviria with drug trafficking." It is the first time that thousands of newspaper copies have been purchased in Cali for more than the established prices.

SEVERAL HUNDRED DEAD IN GUERRILLA INTERNAL PURGE

PA060022 Bogota Television Service in Spanish 0100 GMT 3 Aug 86

[All numbers as heard]

[Excerpt] In all the sad history of the violence in Colombia, there is no more macabre and bloodcurdling case than that of the murders in Tacueyo. After exclusive investigations at the site by this newscast's special correspondents, we can provide information that makes this black chapter in the contemporary history of the country even more bloodcurdling. Here is a report by Raul Benoit:

[Begin recording] [Benoit] With the discovery of new common graves in the mountainous region of northern Cuaca, interest in the slaughter of Tacueyo has been renewed. According to official reports, 264 bodies were found in these common graves. Fifteen days ago, peasants of the higher areas of Toribillo, between Loma Redonda and San Francisco, discovered 8 graves with 70 more bodies, victims of the internal purge in the Ricardo Franco Front, a dissident group of the FARC.

This genocide was begun shortly before Christmas by leader Javier Delgado, who said that he had discovered among his ranks a large number of infiltrators from the Colombian military intelligence. In a clandestine book that is circulating among the news media, Delgado said that he only executed 167.

[Cauca Attorney General Leonor Amezquita] Well, initially we reported 196 bodies but we have to add the latest discovery of 70 bodies.

[Benoit] But could it be that graves which were previously opened are being reopened?

[Amezquita] No, that is not possible, because the Attorney General's Office, the Medical-Legal Office, and the Public Order Office have been very careful about marking the graves.

[Benoit] The versions of the relatives are diverse, Some say that they were unaware of the fate of their brothers or sons and that they only learned of their deaths from the press reports. [end recording] [passage omitted]

FURTHER ON FOILED M-19 SABOTAGE PLAN

PA052220 Bogota Television Service in Spanish 1730 GMT 5 Aug 86

[Report by Mario Arboleda]

[Text] The Intelligence Section of the 3d Brigade has foiled an M-19 plan which was to be carried out Thursday in Cali. The M-19 forces in Cali are without communications after an action by the military authorities appointed to the 3d Brigade. According to Armed Forces sources, they foiled a terrorist plan to produce a boycott of President Barco's inauguration on 7 August.

According to the brigade, the guerrillas planned to leave Cali without communications and invade poorer areas like the Agua Blanca District, where some 300,000 live in subhuman conditions. The guerrillas, with their communication equipment seized by the Army, abandoned their plan, which included taking over the city, destroying public and private enterprises, as well as the main access bridges to Cali, reported by 3d Brigade Commander Hernan Jose Guzman.

[Begin Guzman recording] We found the radio equipment which they used to communicate throughout the country and abroad. They were in contact with various Central American and South American countries. Furthermore, we found all the messages exchanged with Cali, Medellin, and Bucaramanga. We found a 40 m band [as heard] radio. We also seized a computer used to code and decode communiques among the various columns. [end recording]

Some 20 members of the M-19 urban militia were captured and are at the disposition of the military judges. These men were in charge of recruiting people and training them for terrorist actions. According to El Valle authorities, there is a defense strategy capable of foiling any subversive attack to disrupt the peace in Cali.

BRIEFS

NEW GDR, AUSTRIAN AMBASSADORS -- Bogota, 4 Aug (AFP) -- Two new ambassadors to Colombia presented their credentials to President Belisario Betancur today in ceremonies held at Narino House. The new ambassadors are Heinz Loehn of the GDR and Arthur Schuschnigg of Austria. [Text] [Paris AFP in Spanish 2323 GMT 4 Aug 86 PA]

ROK DEPUTY MINISTER MEETS WITH FEBRES CORDERO

PA051339 Quito Voz de los Andes in Spanish 1130 GMT 5 Aug 86

[Text] Kim Man-che, South Korean deputy prime minister and secretary of the Planning Board, has met with President Leon Febres Cordero. He expressed his government's desire to increase political, economic, and cultural relations with Ecuador. The official delivered a message from President Chon Tu-hwan to the Ecuadoran president expressing his country's interest in Ecuador's participation in the 1988 Olympics in Seoul. He asked for Ecuador's support of Korea's policy in the nonaligned countries group.

BRAZILIAN MINISTER SIGNS COOPERATION AGREEMENTS

PA051340 Quito Voz de los Andes in Spanish 1130 GMT 5 Aug 86

[Excerpts] The Ecuadoran and Brazilian Governments on Monday signed two agreements adjusting basic technical cooperation agreements. The agreements concern technical assistance in postal services as well as eliminating bureaucratization. The ceremony was held at the vice presidency of the Republic and was attended by Ecuadoran Vice President Blasco Penaherrera Padilla, who acted as a witness, and Ecuadoran Foreign Minister Edgar Teran and Brazilian Foreign Minister Roberto de Abreu Sodre. During the ceremony, Vice President Penaherrera Padilla stressed the two countries' desire to cooperate with each other as shown by the signing of the agreements. [passage omitted]

The Ecuadoran and Brazilian foreign ministers also on Monday presided over the meeting of the Eduadoran-Brazilian technical and economic cooperation commission at the Foreign Ministry. [passage omitted]

Brazilian Foreign Minister Roberto de Abreu Sodre said that the Ecuadoran-Brazilian meeting will make possible a further strengthening of the ties between the two countries through a frank and constructive dialogue.

COLORADO, OPPOSITION LEADERS RAP GOVERNMENT

PY060232 Asuncion HOY in Spanish 3 Aug 86 p 8

[Text] State Counselor Carlos Romero Arza, member of the Colorado Party Executive Board, yesterday made a speech on the topic "Is democracy possible in the current sociopolitical and economic moment?" at a panel discussion sponsored by the Archiocese Social Pastoral Mission, the National Laymen's Group, the National Laymen's Board, and the Prodemos [combination of Latin and Greek words meaning: for the people]. In his speech, delivered during a panel discussion at the Metropolitan Seminary, Romero Arza said: "The people who have taken the thankless responsibility of being the spokesmen for this allegedly democratic regime have done nothing but convert it into a daily "demos gracias" [giving thanks -- Romero is making pun with the word democracy] whose litanies remind us citizens that we must be thankful and always ready to be faithful and obedient to those who have given us everything."

Romero Arza continued: "The term 'giving thanks' well suits the panegyrists of this model because they must be thankful. However, the Paraguayan people, the stern and long-suffering citizens, the people who have participated in the great epic achievements that our nation has experienced politically, economically, and socially, have no reason whatsoever to give thanks."

Romero Arza also said that "based on rules applicable to crisis situations, we may say that in extreme situations, when tyrannies perpetuate themselves in office and prevent the people from having any possibility of peaceful free expression, the people have the right to resort to force to oust the tyrants."

He also said that "no exceptional measure should become permanent. This is abnormal and, consequently, illegal, and that which is illegal cannot be enforced indefinitely."

Romero Arza also referred to the Colorado majority of voters in the national electorate. This reference to the number of voters was commented on by Fernando Vera, president of the Febrerista Revolutionary Party, who spoke after Romero.

Vera said: "From the civic point of view, what a cowardly majority it is that fears to give equal conditions to the opposition so that it can express itself in the elections." He added: "What a cowardly majority that can only stay in power by declaring a permanent state of siege. How cowardly is the majority that cannot allow any other political party to act freely; which does not even permit intermediate social sectors, such as the labor unions, or peasants organizations, to freely organize themselves."

Reporter Humberto Rubin yesterday afternoon opened the panel discussion and said that "we will have democracy when we start to listen to all Paraguayans, and not just to the same old ones, like ourselves, who are asked to speak at a forum, or who have become famous for something done to us, and not for what we have done." He added that "many Paraguayans who, like ourselves, are trying to find the way, are very untruthful. Therefore, once we find out that each one of us has freed himself of the vanity of seeking a position of power, and seeks a country beyond his party and beyond his name, things will be easier."

DEPUTY ECONOMY MINISTER DISCUSSES DEBT PAYMENT

PY042111 Lima Panamericana Television Network in Spanish 0215 GMT 4 Aug 86

[Interview given by Deputy Economy Minister Gustavo Saberbein to Fernando Vasquez; date and place not given -- recorded]

[Excerpts] [Vasquez] Good evening, Dr Saberbein.

[Saberbein] Good evening.

[Vasquez] What is the aim of the recent measures ordered by the government regarding the money market?

[Saberbein] Several. First, to make the best use of foreign currency; second, to make sure that the development already attained continues in the future; and third, to conduct these measures without upsetting or disturbing anyone.

[Vasquez] Would you say that this is a control of exchange?

[Saberbein] I would say it is a regulation, a regulation which is necessary because there is a desire to overcome the crisis and not only to grow but also to improve.

[Vasquez] What will happen to the people who must buy dollars? Will it be easy for them to buy dollars?

[Saberbein] Yes, defintely yes. It will continue to be the same as in the past. The person will have to go to a money changer's establishment or a bank and request the currency he or she needs to travel abroad.

[Vasquez] President Garcia on 28 July announced in his message to the country that there would be no devaluation, did he not?

[Saberbein] That is correct.

[Vasquez] The reality, however, is the following: before the presidential speech there were two foreign currency exchange rates: the single exchange market [Mercado Unico de Cambio -- MUC] of 13.90 intis and the free exchange market, the black market dollar, at 17.50 intis.

Now according to the new exchange policy, the Economy Ministry has created a new market. The MUC remains at 13.90 intis; the money market, which is another official dollar, at 17.50 intis; and the new unrestricted money market [Mercado financiero de libre disponibilidad] where any citizen can buy dollars at a price which may go up, and which some people believe will reach 19 or 20 intis. Meanwhile, many products which were exported at the MUC rate of 13.90, are now being sold at the money-market rate of 17.50. So there has been an increase of 25 percent. Among these products are liquor, marble, photography film, newspapers and other printed materials, calculating and copying machines, watches, sound equipment, and others. And this, Mr Minister, in the eyes of any person who knows a little about economics, is a disguised devaluation. Why then was a devaluation not announced?

[Saberbein] Let us analyze the different parts of the topic. First, there are not three new markets, but the same two: The MUC which has not been modified; and the money market which has also not been modified in its foreign trade department, while its other department continues to fluctuate as before.

There is no intention among the economic advisory group or in the government to devaluate or to implement an increase in this type of market, and I will explain why. Until now the Central Reserve Bank has had to intervene to prevent the dollar from declining, because there are more dollars being offered than before, and fewer people or enterprises to buy then. Nowadays only private individuals will be able to buy these dollars, and companies will have to buy dollars from the Central Reserve Bank, so we fear that the dollar rate will decline rather than increase. [passage omitted]

[Vasquez] During his 28 July speech, the president also said that in terms of profits and royalties, and payments of the private debt, there has been a capital flight of $1 billion. The first question is: According to the estimate of some experts, this capital flight was only $700 million. Do you know about that?

[Saberbein] First of all it is not capital flight. It is a normal movement of payments of private debt, and of remittances which are both based on national legislation, although some could be considered dubious. What we now have to struggle for is growth which includes the use of currency existing in the country.

[Vasquez] What I was going to ask is how was this calculation done? The president himself reported capital flight.

[Saberbein] This calculation was done at the Economic Institute, and it included reports by the Central Reserve Bank and the Economy and Finance Ministry. Anyone can consult the data released by the sector during the last few years.

[Vasquez] Could it not have been reported earlier before such a large flight had taken place?

[Saberbein] I repeat that these remittances were not exactly capital flight, but remittances, payments made on a legal basis. Part of these remittances might have had a dubious character. [passage omitted]

[Vasquez] On the foreign debt. Friday, 15 August, is a key day for us because on that day Peru must pay $180 million to the international banks. Will Peru make this payment?

[Saberbein] As has been announced by the economy minister, Peru will make a partial payment because our economy has been affected this year by the decrease in the oil price.

[Vasquez] How much does partial mean? Thirty million dollars, for example?

[Saberbein] It will be a symbolic amount, but even so it is a great effort for us. Taking into consideration that we have lost $500 million because of the decrease in the price of oil and other minerals, we now have fewer dollars available than in the past.

[Vasquez] Is this symbolic amount enough to make the IMF desist from declaring us ineligible for further loans?

[Saberbein] Well, this does not depend on us. It depends on the IMF itself. We do not want to be deemed ineligible, but on the other hand...

[Vasquez, interrupting] And what would occur if we were deemed ineligible?

[Saberbein, continuing] ...on the other hand we cannot prevent it. Well, in reality most of what could have happened has already happened, as in the case of the previous administration. Why? The banks, for example, have not granted any loan to Peru for 24 months, since 12 months before 28 July, 1985. Since then we have, fortunately, been granted loans by friendly governments, such as FRG and Canada, among many others, and some agencies such as the Inter-American Agency for Development.

[Vasquez] What is the Peruvian strategy regarding the IMF?

[Saberbein] The Peruvian strategy regarding the IMF, which is an important creditor, as are many others, is first of all to tell the truth: Peru recognizes its debt and wishes to pay it, but it has great difficulty paying it and is therefore paying the debt according to priorities. The number one priority is domestic development. It is also very important to be able to say that all workers, political parties, and businessmen support this priority. [passage omitted]

FOREIGN MINISTER COMMENTS ON UPCOMING GATT TALKS

PY050255 Madrid EFE in Spanish 2233 GMT 4 Aug 86

[Text] Montevideo, 4 Aug (EFE) -- Foreign Minister Enrique Iglesias has stressed that if the upcoming round of GATT talks that will start in September fail, then "we can expect a real trade war throughout the world."

Iglesias also stated that "the agricultural problem will be the most complicated one, because there is a confrontation between the United States and the EEC and the producing countries."

Iglesias will preside over the GATT meeting that is to start on 15 September at the Uruguayan seaside resort of Punta del Este, 150 km from Montevideo.

The Uruguayan minister has also stated that there will be a prior meeting in Australia of the main agricultural-producing countries to set a common position with which to face the EEC and the United States regarding protectionism and agricultural subsidies.

Iglesias has warned that "we will be the victims" of an eventual trade war.

At the end of June representatives from Argentina, Australia, Brazil, Canada, Chile, Hungary, Indonesia, Malaysia, New Zealand, the Philippines, Thailand, and Uruguay came to the conclusion in Bangkok that the upcoming round of GATT talks will lack any sense if agricultural products are not included in the agenda of negotiations.

MINISTER NOTES MARKED ECONOMIC IMPROVEMENT

PY020233 Madrid EFE in Spanish 0156 GMT 1 Aug 86

[Text] Montevideo, 31 Jul (EFE) -- Economy and Finance Minister Ricardo Zerbino has said that Uruguay's financial situation has shown a "marked improvement" in relation to the situation that prevailed in March 1985 when the democratic government took power.

The economy minister noted that at the international relations level "Uruguay has been able to resolve its foreign debt problems in a favorable manner" and that at the domestic level "economic reactivation is quite evident."

Zerbino noted that in view of a new agreement with the international banking sector, Uruguay has been allowed to omit a payment which in interest rates and capital alone totals between $800 or 900 million per year until 1989. Uruguay has replaced the payment of these installations with "much smaller" payments that are virtually "only on interest rates" until 1989.

At the domestic level, "economic reactivation is quite evident as seen through several indicators" said Zerbino.

According to the economy minister "there is also an improvement" in the public financial sector, and "there has been a gradual reduction in the budget deficit."

The Uruguayan economy and finance minister noted that "these improvements will result in achievements in the economic and social fields."

Nevertheless, 70 percent of the inhabitants of Montevideo, where half of Uruguay's 2.9 million inhabitants live, complain about the present economic situation and say that it "undermines" the social situation.

A recent poll carried out by the U.S. company "Gallup" disclosed that the majority of Montevideo residents and those of nearby areas are "concerned" about the high cost of living, low salaries, low retirement pensions and unemployment.

SUPREME COURT GIVES CONTESTED CASE TO CIVIL COURT

PY301900 Montevideo Radio El Espectador Network in Spanish 1000 GMT 30 Jul 86

[Text] The Supreme Court has ruled that the civil court has jurisdiction in a case which the military court said is under its jurisdiction.

The five members of the Supreme Court ruled that the case should be under the jurisdiction of the 1st Civil Court. The military judges, Brigadier General Jorge Borad, retired, and Colonel Manuel (Pagola), retired, the ad hoc members of the Supreme Court dissented.

This case involves a sailor, Jose Antonio (Clavelo) Iglesias, who fired a shot at Alfonso Martin Torrcz, an employee of UTE [State Power and Telephone Administration], when he tried to enter the Montevideo port.

Two days after this incident the case was taken to the 9th Criminal Court to try the sailor for causing serious injury. The 4th Military Court immediately said that this case was under its jurisdiction. The case was then passed to the Supreme Court on 4 July 1984. The Supreme Court based its ruling on Article 253 of the Constitution. The ruling also mentions the opinions of well-known jurists such as Education and Culture Minister Adela Reta, lawyers Ofelia (Gretti), Enrique (Bescovi), [name indistinct], and others.

BRIEFS

JOINT VENTURE WITH HUNGARY -- Two Uruguayan companies have signed a cooperation contract with the Hungarian company Hungarotex, seeking to expand the interantional market. The new corporation will be headquartered in Montevideo and will be responsible for increasing the trade between Latin America and Hungary. As reported by Radio El Espectador, talks and negotiations with Hungary were held by a delegation headed by Foreign Minister Enrique Iglesias. The Uruguayans have pointed out the need for sustained growth of the traditional export lines to Hungary, expressing a firm interest in diversifying the trade to include such products as citrus, textiles, manufactured goods, and shoes. [Text] [Montevideo Radio El Espectador Network in Spanish 1600 GMT 23 Jul 86 PY]

GDR'S GERLACH VISITS, MEETS SEVERAL LEADERS

PA060001 Caracas Television Service in Spanish 1600 GMT 5 Aug 86

[Text] The strengthening and maintenance of world peace was the main topic discussed by Venezuelan President Jaime Lusinchi and Manfred Gerlach, deputy chairman of the GDR Council of State in a Miraflores Palace meeting.

The high-ranking GDR official is touring the country to meet with various national sectors. The meeting was also attended by Foreign Minister Simon Alberto Consalvi and Finance Minister Manuel Azpurua. They emphasized the implementation of policies that will lead to disarmament and prevention of war, mainly in Central America. President Lusinchi and Gerlach stated that great efforts must be undertaken for detente. Both nations have supported this position in various international forums. They also discussed cooperation in various fields and speeding up new agreements. A technical cooperation project is being drawn up that will bring excellent benefits to the two countries.

PRC PETROLEUM OFFICIALS VISIT MARAVEN

PA051859 Caracas EL UNIVERSAL in Spanish 25 Jul 86 p 2-11

[Text] A delegation from the PRC's Petroleum Industry Ministry is visiting Venezuela to continue the dialogue that will make it possible to reach cooperation agreements. The delegation is comprised of seven representatives, who will hold meetings for 2 weeks at Maraven [a subsidiary of Venezuelan Petroleum, Inc.] on heavy crudes and thermal recovery.

The Chinese delegation is composed of Dou Bingwen, director of the International Cooperation Department [as published] of the PRC's Petroleum Ministry (MPC); Jia Jinhui, vice president of the MPC's Petroleum Exploration and Exploitation Institute; Wang Qimin, deputy chief of engineers of the Daqing Field Institute; Lui Baohe, production superintendent of the Shengli Field; Shu Zhanghua, production superintendent of the Shu Guan Field, Liao He region; Liu Pignan, deputy director of the MPC's office for scientific and technical cooperation; and Wang Shaoxian, Spanish interpreter. The exchange between the two nations began in March 1985 when a delegation of the National Petroleum and Petrochemical Industry visited China for preliminary identification of the possible areas of cooperation. In September of the same year, a new Venezuelan delegation traveled to the PRC to do a technical analysis of those areas of cooperation. During that visit, the MPC requested Maraven's technical assistance with a feasibility study of the Linfanjia field. This study was performed and sent to the MPC. In November 1985, an agreement for scientific and technical cooperation in the petroleum field was signed between the energy and Mines Ministry and the MPC.

As part of the series of exchanges and of preliminary agreements, the Chinese delegation currently visiting Maraven has recently received several presentations, including talks on alternate steam injection, secondary recovery through continuous injection, computing systems for geological exploration, and study of deposits by interactive simulation. Visits have been also scheduled to the heavy crude fields of Pedevesa [Petroleos the Venezuela, S.A.] on the east coast of the lake, which also includes visits to the M-6 and 4-3 steam plants. These series of technical talks, together with the visits to the production fields and the talks and expositions that have been programmed by Lagoven, Corpoven [subsidiaries of Venezuelan Petroleum, Inc], and the Intevep [Institute of Venezuelan Petroleum Technology], will allow the Chinese and Maraven representatives to identify the technical points and the projects which will be included in future cooperation agreements. These agreements will encompass, on the part of Maraven, technical assistance in petroleum engineering, deposits engineering, steam injection, and production and management of heavy crudes. Regarding the agreements to be signed, the MPC will contribute their experience and technology in water injection and fractured deposits to the national petroleum and petrochemical industry.

GIL NOTES VOLUNTARY OIL PRODUCTION DECREASE

PA060214 Caracas Television Service in Spanish 0000 GMT 6 Aug 86

[Excerpt] [passage omitted] Today, in statements to the press, Acting Energy and Mines Minister Julio Cesar Gil said that our country will reduce its oil production volume by 145,000 or 150,000 barrels per day in an effort to adjust its production level to the quota it was assigned in October 1974, which was 1,555,000 barrels per day. This of course will be for 2 months. The market's behavior will be observed until another [OPEC] meeting is called, probably in September. Will the [OPEC] agreement be respected? The answer is given by acting Energy Minister Gil:

[Begin recording] We must assume that all of the countries are acting in good faith and that this is the beginning of a medium- to long-term agreement. I believe that as the benefits of OPEC's goodwill are proven with the strengthening of peace, the countries that are not OPEC members will contribute to the effort. It is important to note this because they also contribute to the strengthening of prices. [end recording] [passage omitted]

3 AIR FORCE PLANES COLLIDE; 2 DEAD

PA051819 Hamburg DPA in Spanish 1722 GMT 5 Aug 86

[Text] Caracas, 5 Aug (DPA) — Three Venezuelan Air Force (FAV) "Mirage" aircraft crashed today, killing at least two crew members. A brief Defense Ministry report issued in Caracas at noon reports that the triple accident occurred at approximately 1000. It states that the three planes were part of a squadron on its way to central Venezuela for firing drills. The craft crashed as they were flying back to their home base (in Maracay, approximately 120 km southeast of Caracas). The bulletin does not detail inquiries or casualties, but unofficial reports obtained by DPA indicated that two pilots were killed, while the third survived by ejecting from his aircraft. Venezuelan President Jaime Lusinchi was immediately informed of the situation. He ordered the opening of an investigation after which the details of the triple accident will be disclosed.

BRIEFS

NEW POLITICAL PARTY -- The New Democratic Generation Party was legalized today before the Supreme Electoral Council. This party will participate in the 1988 elections. (Thelmon Urguelles) is the party's president. The party has asked that its ballot have red, beige, and blue vertical stripes with the candidate's photograph in the center. The party's symbol will be the liquiliqui [Venezuelan native costume]. [Summary] [Caracas Television Service in Spanish 0000 GMT 8 Jul 86 PA]

MILITARY ACADEMY COMMANDER -- Brigadier General Hernan Jose Vasquez Pena took over on 9 July as the new director of the Military Academy of Venezuela. [Summary] [Caracas EL UNIVERSAL in Spanish 10 Jul 86 p 1 PA]

ARMY PROMOTIONS -- On 10 July, Brigadier General Mario Lizardo Mendoza became new Army chief of operations, while Brigadier General Manuel Heinz Azpurua was appointed chief of intelligence. Brigadier General Oscar Roviro Villamizar took over as chief of personnel. Meanwhile, Brigadier General Rafael Perez Luque became on 9 July the director of the "Libertador Simon Bolivar" Army School. [Summary] [Caracas EL UNIVERSAL in Spanish 10 Jul 86 p 1-21 PA]

NEW INFORMATION CHIEF -- President Jaime Lusinchi has sworn in Carlos Croes as the new director of the Central Information Office. Mr Croes is replacing Federico Alberto Ravell. [Summary] [Caracas Television Service in Spanish 1600 GMT 22 Jul 86 PA]

POLICE CONFISCATE COCAINE -- National guardsmen have confiscated 14 kg of pure cocaine in the parking lot of a Caracas luxury hotel. General Alfredo Sandoval Hernandez, commander of the Armed Forces of National Cooperation, identified the persons arrested as Nivia Montes Perez, Colombian, who had several bank accounts with large sums of money, Jesus Sanabria Jaimez, and Luis Rafael Aguilera, both from Venezuela. Julian Montes Giraldo, Colombian, is still at large. [Excerpt] [Caracas Television Service in Spanish 0000 GMT 17 Jul 86 PA]

NEW CENTRAL BANK PRESIDENT -- President Jaime Lusinchi has just appointed Hernan Anzola as the new president of the Central Bank of Venezuela, replacing Benito Raul Lozada. Anzola was the minister of state for the production, promotion, and coordination of state enterprises. [Summary] [Caracas Television Service in Spanish 1600 GMT 30 Jul 86 PA]

GROUP OF SIX LEADERS ARRIVE, DISCUSS ISSUES

De La Madrid, Papandreou Talk

FL051024 Mexico City NOTIMEX in Spanish 0504 GMT 5 Aug 86

[Excerpts] Mexico City, 4 Aug (NOTIMEX) -- Mexico and Greece have stressed the need for revitalizing international cooperation, seeking with greater vigor a new world order and focusing on the more urgent problems such as the economic crisis, the developing countries' debt, and peace.

President Miguel de la Madrid and Greek Prime Minister Andreas Papandreou asserted the urgency for promoting a dialogue between industrialized and developing countries to seek solutions which will make it possible to deal successfully with the economic crisis.

At a dinner held in honor of Papandreou, the Mexican President said today, more than ever, we have to intensify international cooperation and renew with greater vigor and determination the struggle for the establishment of a just, friendly, and equitable world order. [passage omitted].

Miguel de la Madrid warned that Latin America is demanding political attention for its economic security, removed from military preoccupations, and because of that the Latin American governments will increase their efforts and initiate reforms concerning wrongs and resentments. In the face of a warlike escalation, we will respond with renewed arguments of harmony and more solid reasons for peace. [passage omitted]

We will insist on our commitment for a world free of nuclear arms and will promote an international system which will guarantee our people's development with peace and security, De la Madrid said. The chief of state defended democracy as a system of political tolerance and reciprocal respect and also defended independence and self-determination. In addition, he condemned any type of interventionism. [passage omitted]

Andreas Papandreou affirmed it is of vital importance for humankind to preserve liberty, independence respect for human rights, and democracy.

We have the right to want to be owners of ourselves and our destiny, and that is why it is absolutely reasonable to play an active role in safekeeping peace and shaping the society of the future. In this sense, he acknowledged that the economic crisis affecting Third World countries, especially Latin America, is threatened with social order and peace.

He noted that the high level of foreign indebtedness and its grave consequences generate desperation among Latin American peoples, and he demanded that a meaningful dialogue between North and South begin as soon as possible to confront the problem comprehensively.

Papandreou proposed carrying out necessary structural changes and undertaking social reforms so that indebted countries may emerge from the socioeconomic swamp to which they were led by today's asphyxiating reality. [passage omitted]

Papandreou referred to the situation existing between Greece and Turkey and said that, unfortunately, Turkey has undertaken provocative actions that jeopardize inter-Balkan cooperation and peace. Greece, he added, loves peace, but future Greek-Turkish relations depend on the application of principles and norms established in international law and the United Nations Charter. [passage omitted]

Issue Joint Communique

FL052038 Mexico City NOTIMEX in Spanish 1920 GMT 5 Aug 86

[Text] Mexico City, 5 Aug (NOTIMEX) -- The presidents of Mexico and Greece today agreed that it is urgent to unite the efforts of countries committed to peace, independent development, international cooperation based on equality, and the peoples' sovereign right to self-determination.

In a joint communique issued by Mexican President Miguel de la Madrid and Greek Prime

It was also agreed to promote higher education on Latin American and Greek topics in the two countries and Neo-Hellenic studies in Mexico. De la Madrid and Papandreou agreed to study cooperation possibilities in the areas of construction, maritime transportation, agriculture, and industry. They also stressed establishing cooperation mechanisms in Greek and Mexican economic and trade organizations and in the public and private sectors to develop economic bilateral realtions.

At the conclusion of the Greek prime minister's official visit with the Mexican president, the two heads of state stressed the importance of this first bilateral meeting to strengthen the ties between the two countries to promote cooperation and understanding in all areas.

Athens Radio on Meeting

NC051628 Athens Domestic Service in Greek 1130 GMT 5 Aug 86

[Excerpts] Greece feels that the talks between Prime Minister Papandreou and Mexican President Miguel de la Madrid, as well as those between Greek ministers and their Mexican counterparts, have been productive in both political and economic terms. [passage omitted]

Foreign Minister Karolos Papoulias briefed a number of political correspondents, saying that the discussions with Mexican political leaders took place in a very friendly and cordial atmosphere. He added that other countries, specifically Brazil and Australia, have asked to join the peace initiative of the Group of Six. Papoulias noted that the Greek prime minister agreed with the Mexican president's belief that their two countries should play a special role through bilateral intervention in such areas of tension as Afghanistan, Namibia, Cyprus, and the Aegean. The next steps for the implementation of this proposal are still to be determined.

Papoulias also highlighted the significance that Mexico and Sweden attach to the initiative of the Group of Six and expressed his opinion that many people have changed their minds about the initiative's ability to get results. The talks between Papandreou and Miguel de la Madrid included an analysis of the message of Chernobyl. The prime minister said this incident proves that fate alone determines who will suffer only one such accident. In addition, the Greek prime minister noted that the Mexican president had relayed his country's interest in the democratization of Latin America. Miguel de la Madrid also voiced his fear that any intervention in Nicaragua would bring an upsurge of anti-Americanism in Central America and in Latin America as a whole, and would create a new situation. Finally, Papoulias said that Prime Minister Papandreou told the Mexican president that he hoped bilateral economic relations would develop further, and that cooperation with Mexico would be closer and permanent. [passage omitted]

Speaking at a dinner last night in honor of the Greek prime minister, De la Madrid praised the role played by Papandreou. He described him as dedicated to the promotion of friendship and cooperation between Greece and Mexico. The Mexican president went on to say that Greece and his country participate in such peaceful undertakings as the initiative of the Group of Six. He also referred to Central America and to the efforts of the Contadora Group, which the Greek Government backs, to resolve the crisis in Central America and Latin America in general.

In reply to the Mexican president's toast, Prime Minister Papandreou emphasized that this visit confirms the close relations between the two countries. He said it was a firm point of reference that would allow a foundation to be laid for an even stronger form of cooperation. Papandreou touched on the common struggle for peace and on Greece's work on behalf of Balkan cooperation. He declared: We are trying to make our region, the Balkans, a zone of peace and cooperation free of nuclear weapons. We want it to be a place where relations among states are governed by the principle of good neighborliness. Despite the different political and social systems of our northern neighbors, the prime minister stressed, we continue to strengthen our ties of friendship and close cooperation. Unfortunately, Turkey's policy does not permit a complete form of inter-Balkan cooperation. As far as our country is concerned, Turkey's continual provocations and threats are its way of questioning the internationally recognized status of the Aegean and, in the final analysis, our inalienable sovereign rights.

Regarding the Cyprus issue, Papandreou said it was a cause of special concern, as it constitutes a danger to peace in the region, and is a question of great national importance to Greece. We believe, he added, that the withdrawal of all Turkish occupation troops from the Republic of Cyprus is an essential precondition for a just and viable solution under UN auspices.

Concerning the problems of Latin America, Papandreou explained the Greek Government attaches special significance to them. He noted that Greece is working inside the EEC to strengthen relations and narrow the differences between Europe and Latin America. Papandreou highlighted the fact that Greece, in close cooperation with its partners in the European Community, has supported the Contadora process from the outset. He said that the Contadora Group is trying to reach a peaceful, comprehensive solution that stems from the region itself, and is based on the principles of territorial integrity, self-determination, noninterference, and respect for human rights and democratic freedoms. [passage omitted]

Greece To Purchase Mexican Oil

PA052315 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 5 Aug 86

[Text] Greek Foreign Minister Karolos Papoulias has announced that as a result of Prime Minister Andreas Papandreou's meeting with Mexican President Miguel de la Madrid, Greece will purchase oil from Mexico. The Greek foreign minister made this statement during a news conference, adding that the meeting between President De la Madrid and Prime Minister Papandreou was very positive.

He also said President De la Madrid had accepted an invitation to visit Greece. Mexican Foreign Secretary Bernardo Sepulveda was also invited to visit Greece to prepare for De la Madrid's trip. The date for the two trips will be announced through the usual diplomatic channels.

Foreign Minister Papoulias announced that a bilateral commission will be appointed in the next 3 months. The commission will be responsible for studying matters related to trade exchange and coinvestment between Mexico and Greece. Earlier today, Prime Minister Papandreou attended a reception at the embassy, to which Greek citizens in Mexico were invited.

Sweden's Carlsson on Arms

FL050400 Mexico City NOTIMEX in Spanish 0255 GMT 5 Aug 86

[By Rossana Fuentes Berain, special correspondent]

[Text] Ixtapa-Zihuatanejo, 4 Aug (NOTIMEX) -- Swedish Prime Minister Ingvar Carlsson said today that the disarmament dialogue is not exclusively limited to the superpowers of the world who have weapons.

In an exclusive NOTIMEX interview, the Swedish prime minister said that a nuclear war today would destroy all civilization, proving why countries representing the five continents can do more in reference to nuclear disarmament.

Carlsson arrived in Mexico City today and immediately departed for Ixtapa-zihuatanejo to attend the Group of Six conference which will be held 6 and 7 August and which is expected to launch a new initiative for nuclear disarmament. In addition to Carlsson, other leaders attending the meeting will be Miguel de la Madrid and Raul Alfonsin, presidents of Mexico and Argentina, respectively; Andreas Papandreou and Rajiv Gandhi, prime ministers of Greece and India, respectively; and Julius Nyerere, former president of Tanzania.

Carlsson said the Group of Six is not trying to replace the United Nations, instead, he said, we are trying to work with the United Nations even though there are times when a group is needed to work in a less bureaucratic manner and more directly with U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev.

He said the Group of Six has demonstrated it can function in this manner and inform and offer its services to the Soviet Union and the United States. After affirming that the Group of Six has greatly influenced international public opinion, Carlsson said that we have to be strong and demonstrate that it is impossible, even for superpowers and for political leaders like Gorbachev and Reagan, to disregard the opinion of the rest of the world. When asked how a nongovernmental organization can help achieve the acceptance of public opinion, he said this is achieved by organizing the sentiments of men, people, in towns and cities. It seems that people are becoming more aware of the dangers of militarization, not only the nuclear arms race but also the militarization of space, he said. The people, he said, are afraid and want to do something in this respect and we should try to organize the protests. Nongovernmental organizations can do much in this area, he added.

Carlsson said that by calling for an end to nuclear testing and a treaty prohibiting complete tests we have made it possible, in a certain way, for Gorbachev and Reagan to meet and at least begin a treaty prohibiting testing. He added that the relationship between the United States and the Soviet Union has been very tense over the past few years, and the international community would like to have a disarmament process without simultaneously having a political clash between the superpowers. Nevertheless, this is not likely to occur as soon as we would like, he said. The Swedish prime minister also said the people of the United States and the Soviet Union are afraid of a third world war.

During the Reagan-Gorbachev meeting in Geneva, he said, they agreed that there should not be another war where nuclear weapons are used; what remains to be seen are constructive decisions in this area.

In reference to military spending in developing countries, Carlsson said military spending reduces the financial resources that can be utilized in a better manner. These expenditures, he said, can be used to pay a part of the foreign debt of poor countries and for research in the technical, medical, and peaceful development of weapons. For our part, concluded Carlsson, we dedicate 5 percent of the GNP to the countries of Asia, Africa, and Latin America. I believe that industrialized countries could spend more in foreign aid, especially if they reduce the defense budget, said Carlsson.

Tanzania's Nyerere Arrives

FL050046 Mexico City NOTIMEX in Spanish 0021 GMT 5 Aug 86

[Text] Mexico City, 4 Aug (NOTIMEX) -- Former Tanzanian President Julius Nyerere has arrived in Mexico to attend the Group of Six meeting on 6 and 7 August in Ixtapa-Zihuatanejo.

The former president arrived at the Mexico City International Airport and was met at the presidential hangar by Deputy Foreign Secretary Alfonso de Rosenzweig.

After his arrival, Nyerere and his delegation boarded a Mexican Air Force plane and departed for Ixtapa-Zihuatanejo.

BISHOPS' STATEMENT ON HONESTY IN GOVERNMENT

For the text of "Christian Consistency in Politics, Pastoral Exhortation of the Bishops of the Northern Pastoral Region," issued 19 March 1986, see the JPRS LATIN AMERICA REPORT of 8 July 1986 (JPRS-LAM-86-058), pp 83-92.

DELVALLE ON LATIN AMERICAN SUMMIT, DUVALIER

PA052321 Panama City Circuito RPC Television in Spanish 1730 GMT 5 Aug 86

[Text] President Eric Arturo Delvalle says it is necessary for the Latin American presidents to meet to seek solutions to area-wide problems.

[Begin recording] [Delvalle] I think, and I have said so before, that the Latin American presidents should meet. We have many things to discuss, particularly the foreign debt, which is hindering the development of our countries. This is the vital topic for discussion. However, there are other matters to be discussed, such as control of terrorism, limiting expenditures in arms, drugs, etc. I think we have a great number of things that justify a meeting of the presidents. In the framework of its diplomatic tradition, Panama is again willing to offer its capital, the American oasis of peace, as the site for that meeting.

[Reporter] Could this meeting be affected by the country's deteriorating international image?

[Delvalle] I do not think the country has suffered internationally as much as has been locally reported. I think that the anonymous lies are merely falsities. It has been established that there is no proof. On the contrary, there is irrefutable proof that all that has been said is false. Now the one who is in question is Mr Helms, the accuser. [end recording]

In regard to asylum for former Haitian President Jean-Claude Duvalier, Delvalle said:

[Begin recording] That news is doubly false. He has not requested asylum from us, and Panama will not offer it to him. [end recording]

PRESIDENT MEETS WITH VENEZUELAN MINISTER

PA051841 Panama City LA REPUBLICA in Spanish 4 Aug 86 pp 2, 10

[Text] President Eric Delvalle has received Venezuelan Investment Fund Minister Hector Hurtado in his Palace of the Herons office where the two analyzed Venezuelan investments in Panama and agreements for the signing of a bilateral treaty that calls for the duty-free introduction in the Venezuelan market of Panamanian products.

Minister Hurtado, who on Saturday concluded a 2-day official visit to Panama, was accompanied by Aquiles Vilora, technical director of the Venezuelan Investment Fund, and Ambassador Enrique Peinado Barrios. The minister recalled that the current negotiations for reaching a bilateral trade agreement were initiated in February. The president said he is very much in favor of closer trade relations with Venezuela and of Panama opening its doors to Venezuelan products which would not represent competition for products made locally.

Minister Hurtado also discussed the current status of the project for the construction of the Simon Bolivar Bridge over the Canal and the conclusion of the Panama-Arraijan highway, a project that has a cost of $100 million balboas and is to be financed by the Venezuelan Government.

The Panamanian president ordered Planning and Economic Policy Minister Ricarte Vasquez to hold discussions on the technical aspect, and Minister Vasquez later met with the Venezuela minister and his retinue. To the surprise of the Venezuelan delegation, Minister Vasquez appeared reluctant to go into details regarding Venezuelan investments and adopted a casual attitude even on trade and export agreements with Venezuela.

Before returning to Venezuela, after having visited Guatemala, El Salvador, and Honduras, Minister Hurtado told Panamanian newsmen that he had found Minister Vasquez' attitude strange because it contrasted with the encouraging meeting that he had held with President Delvalle. The issues surfaced in the context of the signing of a bilateral agreement between Panama and Venezuela that calls for the duty-free introduction of Panamanian products in the Venezuelan market.

In addition to the Venezuelan delegation, the meeting with Minister Vasquez was attended by Panama's ambassador to Venezuela, Marcel Salamin; members of the board of directors of the Panamanian Foreign trade Institute, the National Bank of Panama, and the National Investment Council; and by Deputy Public Works Minister Rogelio Dumanoir.

Minister Hurtado's visit to Panama has created much expectation about the possibility of reactivating the project for the construction of the Simon Bolivar Bridge and the Arraijan-Panama City highway. Articles published recently in the Venezuealan media have noted that the interruption of work in these projects is an unfortunate episode that must be corrected because it represents a grave problem for Venezuelan investors. In statements to Caracas' DIARIO, the Panamanian ambassador, Marcel Salamin, said that the suspension of the contract was due to economic matters, Salamin noted that the construction of the Simon Bolivar Bridge is important for Panama's economic development and communication.

LEGISLATOR SAYS FDP TRAFFICS ARMS FOR GUERRILLAS

PA051721 Panama City LA PRENSA in Spanish 5 Aug 86 p 1-A

[By Flor Quintero]

[Text] Christian Democratic Party (PDC) legislator Guillermo Cochez in statements to LA PRENSA charged that the Defense Forces of Panama [FDP] are directly participating in the traffic of arms for Peru's leftist guerrilla movement known as Shining Path and that the best evidence of this is the seizure of the Danish ship Pia Vesta. Cochez predicted that it is very probable this case will be "unveiled" in the next few days and that the participation of the government and the FDP in guerrilla-related activites would be finally demonstrated.

The legislator said that the FDP is "totally involved" in a process that involves corruption, drug-trafficking, and arms-trafficking, a process that will gradually debilitate it. "The specific charge by the ultraconservative daily THE WASHINGTON TIMES that our country has become a refuge for Bolivian drug-traffickers confirms charges we have filed with completely deaf authorities."

The legislator told LA PRENSA that what Justice Camilo Perez told this paper yesterday concerning the justice situation in Panama reveals that changes are necessary in our country. He added: "We can see that we are facing a government group that will do everything possible to continue discrediting our country at the international level."

Later he told LA PRENSA that THE NEW YORK TIMES' charges, in particular against Gen Manuel Antonio Noriega, are a hotter issue than the Torrijos-Carter Treaties in the United States because they have to do with something very important for the North Americans: drugs. He noted: "I have noticed that those charges have not stopped other undesirable activities that do not contribute to our country's reputation on the handling of international affairs."

Cochez said that "there is a group of people which accuses the opposition of making trips to the United States to speak badly about the government and of not being nationalist when we all know that it is the government's representatives who are paying juicy amounts for contracts not only with U.S. firms that specialize in lobbying, but also public relations companies that know nothing about our true situation, that it is they who continue leaning on the U.S. Government to remain in power." Cochez said that while it is true that the Panamanian people are not reacting to this situation at all levels, there is an outcry demanding a democratic system in Panama. He warned that if the government and the FDP insist on carrying out illegal activities, "those who know what is happening will have no other choice but to continue reporting on this situation, which really brings to Panama more discredit than whatever any Panamanian could say here or there about the situation.

He noted: "Panama, making a little effort, can still get out of the hole and the international discredit for which our rulers are responsible."

PRESIDENT NOT TO ATTEND BARCO INAUGURATION

PA010209 Panama City ACAN in Spanish 0148 GMT 1 Aug 86

[Excerpts] Panama City, 31 Jul (ACAN-EFE) -- Without giving any official explanation, President Eric Arturo Delvalle today [1 August] cancelled his visit to Colombia to attend the 7 August inauguration of President-elect Virgilio Barco. Foreign Minister Jorge Abadia Arias announced today that Vice President Roderick Esquivel will, in turn, attend the inauguration. [passage ommitted]

The foreign minister said today that "we are planning to hold a meeting in Colombia of the Contadora foreign ministers (Mexico, Colombia, Venezuela, and Panama) along with the Support Group ministers (Argentina, Brazil, Peru, and Uruguay)." The foreign minister added that President Delvalle "has entrusted us (along with Esquivel) to make the contacts in Bogota, as well as to sound out the possibilities for a meeting, because the Central Americans are anxious for us to take some initiative."

COSTA RICA

MINISTERS COMMENT ON RESULTS OF U.S. TRIP

PA052247 San Jose Radio Reloj in Spanish 1200 GMT 5 Aug 86

[Text] Presidency Minister Rodrigo Arias has said that during a visit to Washington by a Costa Rican mission the participants found understanding of the country's economic problems. Arias added that the need to count on aid from friendly governments such as the United States was also understood. It was an opportunity to discuss the social problems currently affecting the country and the need for more flexibility concerning areas requiring economic adjustments.

Rodrigo Arias said that the mission that traveled to Washington informed the U.S. authorities about Costa Rica's efforts to counter drug trafficking. He added that the possibility of improving future coordination between the antidrug institutions was also discussed. He noted that during the next few months, the Security Council might take measures to coordinate those actions. Apparently, the United States may support Costa Rica in its struggle to control the consumption and trafficking of drugs.

So far, no official invitation has been received for President Oscar Arias to visit the United States and meet with President Ronald Reagan, Presidency Minister Rodrigo Arias, said, upon returning from Washington together with Foreign Minister Rodrigo Madrigal Nieto and Vice President Jorge Manuel Dengo. Dengo added that there were indications suggesting a desire for Arias to visit the United States, which can be considered a preliminary invitation.

Presidency Minister Rodrigo Arias said that based on talks held with State Department officials, it is possible that President Arias may travel to the United States before December. However, Rodrigo Arias said that it all depends on the two presidents' -- Oscar Arias and Ronald Reagan -- agendas.

Vice President Jorge Manuel Dengo said that the talks held in Washington focused on three points. Vice President Dengo, together with the foreign and presidency ministers met with the U.S. secretary of state and several under secretaries and mid-level technical and political officials. During their visit, the Costa Rican Government officials discussed problems concerning international policy, as well as Costa Rica's economic policy and U.S. economic policy and its effects on U.S. aid to our country.

Vice President Dengo said that Costa Rica's foreign trade problems were also analyzed in Washington. He added that the conversations focused mainly on the Caribbean Basin initiative and on the protectionistic U.S. regulations that affect our country. According to Dengo, the Costa Rican mission received great understanding from the U.S. officials concerning the three basic topics discussed.

Dengo stressed that the Costa Rican mission did not carry out any negotiations while in Washington, adding that negotiations on economic matters are handled by the Finance and Planning Ministries, and by the Central Bank. He said that they explained the two phases of the country's economic recovery, which are the recovery of stability, and reactivation and growth, the latter of which is the current government's main goal.

Dengo reported that in the meeting with U.S. Secretary of State George Shultz, U.S. policy concerning economic aid for Costa Rica was reviewed. Costa Rica's efforts to reduce its dependency on U.S. aid were also discussed. According to Dengo, those issues were analyzed based on two prospects: those referring to short-term requirements, in other words for 1986, and the medium-term requirements, in other words for 1986, and the medium-term requirements, in relation to future years. He added that in this respect, foreign aid requirements and the expected effects on the country's system of production were reviewed. Dengo said that short-term U.S. economic aid depends on two factors. The first refers to domestic U.S. political problems, and the second to the effects of that aid on our economy.

In his reference to short-term aid, Dengo was talking about the still pending $80-million disbursement from the USAID, which has already disbursed $40 million.

AMBASSADORIAL APPOINTMENTS -- The government has announced the appointment of Guillermo Villalobos Arce as ambassador to the OAS. The appointments of ambassadors to Canada, Panama, Colombia, Argentina, Peru, and Bolivia have not been decided yet. In Uruguay, the post of Ana Ramos, the minister-counselor, will be raised to the ambassadorial level. In Paraguay the post was eliminated a year ago, and relations are being maintained at a lower level. [Summary] [San Jose LA NACION in Spanish 21 Jul 86 p 4 [A PA]

EL SALVADOR

BLANDON DISCUSSES CONDECA, PEACE TALKS

PM051528 Madrid EL PAIS in Spanish 2 Aug 86 p 4

[Interview with head of the Joint Chiefs of Staff General Adolfo Blandon by Jose Comas in San Salvador; date not given]

[Text] San Salvador -- Head of the Joint Chiefs of Staff of the Salvadoran Armed Forces General Adolfo Blandon held the following conversation with EL PAIS' special correspondent.

Question: What is your opinion, General, of the attempts to revitalize Condeca (the Central American Defense Council, a military grouping including Honduras, El Salvador, Guatemala, and Nicaragua?

Answer: Personally, I believe that this is the right moment to revive Condeca. We are experiencing an extremely crucial moment, not only for the Central American region, and I believe that the harmonization of viewpoints of the various Armed Forces in the region could help consolidate democracy in the Central American countries.

Question: Formally, at least, Nicaragua is a member of Condeca. What role would Nicaragua play in this revitalization?

Answer: This is precisely the problem under study, because the current legal basis includes Nicaragua, and this means that if it is revived just now, they would have the right to have their representative. We believe that with the current Marxist-Leninist government in Nicaragua it would make no sense to revive Condeca with their presence.

Question: Would that revival of Condeca be a way of preparing an intervention in Nicaragua?

Answer: No.

Question: Concerning the dialogue with the guerrillas in El Salvador, what is the Armed Forces' stance? It is said that the Armed Forces disagree.

Answer: We have always supported the president of the Republic in the peace talks. We have done so from the outset, and we will continue to do so.

Question: Would you take part?

Answer: If the president so decides, we will take part.

Question: One of the things that you feel when talking with military personnel in El Salvador is the feeling that they believe that "the politicians destroy what we military achieve." What is your opinion?

Answer: All that can be said is that in our country, at this crucial moment when we need national unity, there are such conflicting tendencies that they have polarized the atmosphere, and this only helps subversive activity.

Quesion: I talked by chance with three displaced persons whom I found in taking refuge here in teh capital. They had relatives who had been killed by the Army, they said. How do you believe the Army can gain these people's confidence?

Answer: We certainly cannot deny that such cases have occurred in the fighting in the countryside, but it is because of the method the terrorists use of taking peasants to accompany them in their movements. When a clash occurs, there is no doubt that there must be many people killed who have nothing to do with them.

UNGO 'PESSIMISTIC' ABOUT CONTINUING DIALOGUE

PA051912 Panama City ACAN in Spanish 1728 GMT 5 Aug 86

[By Agustin De Gracia]

[Text] Panama City, 5 Aug (ACAN-EFE) -- The civilian leader of the Salvadoran guerrillas feels the resumption of peace negotiations with the government is "difficult" because Jose Napoleon Duarte is playing out a "game of appearances."

Last 1 June, Duarte proposed to the rebels continuing with the conversations that were initiated in October 1984 and suspended a month later. Last week, Duarte proposed a date and place for the third meeting.

"I am not so sure of the seriousness of Duarte's proposal, unless it is a provocation for us to answer no," FDR President Guillermo Ungo said today. The FDR is a group of political parties allied with the rebels.

"We are pessimistic about the continuation of the dialogue," said the rebel leader to foreign reporters in his Panama City apartment, where he lives in exile.

Ungo accused Duarte of proposing the meeting be held in places "that are not serious" and of establishing an "agenda of surrender" of the rebels. He is playing as if to hold a dialogue, but he is not doing it seriously," he added.

The FDR president did not wish to give details on the proposals, because the preliminary negotiations are being conducted in very strict secrecy, with the mediation of the archbishop of San Salvador, Mogr Arturo Rivera y Damas.

He did, however, specify that the government wants to hold the third meeting in a place other than San Salvador, which is where the guerrillas proposed holding the meeting late in August.

Guillermo Ungo, the leader of the only Salvadoran political party that is a member of Socialist International, the National Revolutionary Movement (MNR), shared the presidential nomination with Duarte in the 1972 elections.

The guerrilla leader said that the resumption of conversations to end the war that has been going on for nearly 7 years is "difficult" due to "Duarte's weakness" and the refusal by the United States and the Salvadoran military high command to put a peaceful end to the conflict.

"Duarte's situation is very limited," he added.

According to Ungo, the FDR and its military ally, the FMLN, are pursuing two goals: the resumption of the dialogue and "modest results" from the next meeting.

The government-guerrilla talks in 1984 were the first after 5 years of war, but were suspended without either of the two parties making any firm commitments to end the conflict.

Both groups accuse each other of not respecting even the minimum agreements reached after the first round of talks, particularly an agreement to "humanize" the war.

HONDURAS

MINISTRY ON ACCEPTANCE OF ICJ JURISDICTION

PA060316 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 5 Aug 86

[Text] At the behest of the executive branch, and in accordance with Article 36, Section 2 of the bylaws of the International Court of Justice [ICJ], on 21 June of this year the sovereign National Congress modified the declaration issued by the Honduran Government on 20 February 1960 regarding Honduras' acceptance of the ICJ's jurisdiction. To this end, the National Congress issued Decrees No 75-86 and 79-86, which were published in the Official Gazette on 4 and 6 June, respectively.

The decrees stipulate the matters on which Honduras accepts the jurisdiction of the ICJ and also identify the controversies to which the declaration under reference shall not apply.

With due authority from the Congress, on 22 May the Foreign Affairs Ministry issued the respective notices to the UN and OAS secretaries general, receipt of which has been acknowledged. At the same time, the UN and OAS secretariats relayed the Honduran notices to the member-states of those organizations as well as to the bodies that should hear of them as far as the ICJ itself is concerned.

Regarding the border controversy between Honduras and El Salvador, it is common knowledge that the two parties have pledged under both the 1980 peace treaty and the commitment recently signed by the two countries to submit the controversy to the ICJ.

The Foreign Relations Ministry makes this information public in view of the various comments that have arisen as a result of the introductory petition of the action filed by the Sandinist government before the ICJ.

The Foreign Relations Ministry reiterates to the public that this situation is being handled with the prudence and discretion that best suit the high interests of our country.

DESIGNATION OF ENVOY TO MANAGUA REPORTEDLY CHANGED

PA052217 Teguciglapa Voz de Honduras Network in Spanish 1130 GMT 5 Aug 86

[Text] For unknown reasons, Colonel Rigoberto Regalado Lara, the brother of the current chief of the Honduran Armed Forces, is no longer scheduled to be sent as Honduran ambassador to Nicaragua by the government, several sources have reported.

The Honduran Ministry of Foreign Affairs had decided to transfer Colonel Regalado Lara from his position of military attache in Guatemala to that of ambassador in Managua. The Sandinist authorities had already given their consent.

Regalado Lara was to replace Colonel Isidro Tapia; however, it was reported yesterday that the brother of General Humberto Regalado Hernandez will continue in his position as military attache in Guatemala.

The reasons for the change by the Honduran Foreign Ministry were not revealed, nor was the name of the person who will be sent as Honduran ambassador to Nicaragua.

NICARAGUA

LA PRENSA OFFICIAL REJECTS ORTEGA PROPOSAL

PA052155 Panama City ACAN in Spanish 2126 GMT 5 Aug 86

[Excerpts] Managua, 5 Aug (ACAN-EFE) — The Sandinist proposal to reopen the opposition newspaper LA PRENSA in Managua is "a provocation" that does not deserve an answer, the newspaper's chairman, Violeta Chamorro, has said.

"I will not answer Commander Ortega's allusions to LA PRENSA because they are only a provocation, and I will not fall for them. Ortega's allusions are a provocation based upon false and slanderous statements that wrest seriousness and dignity from them," she added.

Last week, during a speech before a group of black leaders in Chicago, the Nicaraguan president invited the owners of the opposition newspaper to "adjust to the legal framework" offered by the Sandinist government.

Ortega said that the owners of the newspaper should break their ties with those who "direct and finance the war of aggression" against Nicaragua, so that the sanctions imposed on LA PRENSA can be reconsidered. [passage omitted]

Regarding Ortega's statements, Violeta Chamorro pointed out that "the president insists on repeating lies against the Nicaraguans' newspaper."

Violeta Barrios de Chamorro added that the closing of LA PRENSA, which was founded 60 years ago, "has caused a terrible curtain of silence to fall over Nicaragua." [passage omitted]

OPPOSITION SEES 'POSITIVE POINTS' IN ORTEGA PLAN

PA051624 Managua EL NUEVO DIARIO in Spanish 4 Aug 86 pp 1, 8

[Excerpts] The leaders of various opposition political parties feel that the "Chicago Proposal" presented by President Daniel Ortega in that U.S. city contains important and positive points for achieving peace in Central America.

Dr Eduardo Molina of the Conservative Party feels that the most important aspect of this proposal are disarmament in Central America, immediate dialogue between the church and the state, and the possibility of reopening LA PRENSA. [passage omitted]

Meanwhile, the leader of the Popular Social Christian Party, Cesar Delgadillo, said that the Nicaraguan Government's position is very positive, and all political and social organizations of the country should support this proposal. [passage omitted]

For his part, Independent Liberal Party leader Juan Manuel Gutierrez said that the proposal is positive, particularly in the aspect related to improving relations between the church and the state. He said that should the U.S. Government accept resuming a dialogue with Nicaragua, this would be the best way of resolving the problems. [passage omitted]

COMPARISON OF DANIEL ORTEGA'S 'CHICAGO PROPOSAL'

Managua International Service in Spanish at 1410 GMT on 5 August broadcasts the "Chicago Proposal" put forth by President Daniel Ortega on 3 August. The Managua International Service version has been compared to the Managua Radio Noticias version published in the Nicaragua section of the 5 August Latin America DAILY REPORT, P 24, revealing the following variations:

First paragraph, line one reads: ...to immediately start with the Vatican a constructive, open ...(adding phrase)

Paragraph four, from line two reads: ...with those who direct and finance the war of aggression against the Nicaraguan nation. Under those conditions, the temporary measure that has been applied to them would be reconsidered.

5. The Nicaraguan Government...(providing indistinct words, rewording)

Paragraph six, from last line reads: ...peace and friendship with Nicaragua, both sides promising to respect the legitimate interests of security of each nation and to make solemn commitments to respect international law, particularly the principles of nonintervention, nonuse of force, and peaceful resolution of controversies.

7. The Nicaraguan Government urges the Central American countries so that, under the auspices of the Contadora and Support Groups, we will turn Central America into a demilitarized zone and a region of peace that is internationally recognized and protected. To the Costa Rican and Honduran Governments, the Nicaraguan Government proposes the establishment of joint border patrols with the participation of the countries of the Contadora and Support Groups and under the auspices of the United Nations.

8. The Nicaraguan Government ...(providing indistinct words, additional material, and rewording)

SERGIO RAMIREZ DISCUSSES U.S. CONTRA AID

PA310257 Panama City LA PRENSA in Spanish 27 Jul 86 p 30 A

[By Argueles Morales]

[Text] Managua (ALASEI) -- Nicaraguan Vice President Sergio Ramirez Mercado has stated that the Sandinist revolution cannot give the contras the possibility of creating political, and thus military and terrorist, room to maneuver within the country. Consequently, in view of the conspiratorial activities of several local ultrarightist leaders, who included certain bishops, the government decided to expel Msgr Pablo Antonio Vega, who engaged in the promotion of a slanderous campaign against the revolution.

Ramirez, a 44-year-old writer and lawyer, as well as former member of the "Group of 12," told ALASEI in an exclusive interview that the Reagan administration "aid" for the contras involves a serious escalation in the White House's policy of aggression against Nicaragua. However, he noted that the logistical support of war materiel will not change the outcome of the war.

Following is a text of the interview.

[Morales] The U.S. House of Representatives recently approved $110 million [as published] to finance the counterrevolutionary groups. What does this U.S. congressional approval mean to Nicaragua?

[Ramirez] First of all it means a serious escalation in the Reagan administration's aggressive policy against Nicaragua. This package of financial and military aid for the counterrevolutionary forces the Reagan administration created and directs means that these mercenaries will receive light weapons first and then heavy weapons after October, including the delivery of rockets and radars in large quantities. This aid will also imply the direct presence of U.S. military advisers in the theater of this war. Therefore, this will put us on the verge of actions that are much more aggressive and include the direct participation of the CIA and the security and defense apparatus of the United States in this war. This means that the Reagan administration has taken one more step in the escalation within the framework of this confrontation with Nicaragua. Of course, we are sure that, militarily speaking, this warlike, logistical support for the counterrevolutionaries will not alter the equilibrium of the war here. We are defeating the mercenary forces. However, that support will strengthen terrorist actions, like the one that occurred last week in which 35 people were massacred by the explosion of a mine. Now, there are more attacks on peasants' land settlements. Now, we will again see the CIA in action. It will attack our ports, our country's vital bridges, and strategic Nicaraguan installations. Thus, the confrontation is becoming more heated and is increasing in intensity.

[Morales] Would the introduction of that sophisticated means to which you are referring provoke a change in the Nicaraguan military tactics?

[Ramirez] Nicaragua has a very well-defined defense strategy. It is the people in arms, the ones who are making the war. The people make the war through the permanent mobilization of the EPS, the peasants' defense capability in their settlements, their cooperatives, and their rural communities. However, for us it means that our internal security capability needs to be strengthened. It means that we will not give the enemy any opportunity to get organized internally throught the support of this kind of terrorist action. Thus, it means we will intensify the national state of emergency and make the people be on their guard, because everybody can take up weapons.

[Morales] Lately, several reserve battalions have been training. Would those reserve battalions be a response to the counterrevolution's increased strength?

[Ramirez] Here, we are prepared for two situations: first, the direct mercenary war, which we are fighting wherever it appears; in the border regions, in the pockets they have deep in the country, and in the mountainous regions of the country. However, faced with the possibility of a direct U.S. military intervention, the reserve capability is also destined to strengthen the defense of the cities, the Pacific coast, and the cities in the interior of the country. We have to prepare ourselves for that, too, and in a more accelerated manner, now that the Reagan administration has decided to intensify this war of agression.

[Morales] What would introducing or handing over surface-to-air missiles to the contras mean for civil aviation in the Central American region?

[Ramirez] We had already warned, after a military transport helicopter was shot down by one of those surface-to-air missiles, that supplying this type of armament to mercenary forces implied a risk to all Central American security. They are sophisticated weapons which the Reagan administration is irresponsibly placing in the hands of killers, drug traffickers, smugglers, and criminals, and no one can guarantee that they will not be used criminally. This is a completely irresponsible act by the Reagan administration and can bring serious consequences to all the Central American region.

[Morales] The handing over of that $110 million means, as you yourself point out, a stepping-up of the quality of weapons being given to the Somozists. In reply, would Nicaragua be willing to rearm itself, and what type of weapons would you get?

[Ramirez] We cannot under any circumstance and under these circumstances of increasing warfare renounce our defense. Our wish is for all able Nicaraguans to have the means to defend themselves, to defend their homes, their neighborhoods, their territories, their communities -- we shall continue to make use of the right we have to arm ourselves -- to defend ourselves while this aggression does not cease and we do not manage an overall climate of peace through integral negotiations like those of the Contadora Group, which the U.S. Government itself has set out to boycott.

[Morales] Speaking of Contadora, how is Contadora after the State Department refused to receive the group's foreign ministers which were going to present the document, especially after the result of the House of Representatives vote?

[Ramirez] The U.S. Government attitude is a permanent mockery of the negotiating action of the Contadora Group. For our part, and just as we expressed in our official communication to the Contadora Group and Support Group member-countries, we continue backing this peace effort, to be willing to participate in this overall negotiation, and to ensure that it reaches concrete results.

However, we see that this U.S. Government attitude tends to weaken and diminish Contadora's work, and we continue to struggle with all our efforts in political and diplomatic fields to prevent these U.S. plans from taking place, and therefore the Contadora Group is to continue working in this negotiating process.

[Morales] Together with the $110-million package for the counterrevolutionaries, $300 million was also approved for Central American governments. What interpretation does Nicaragua give this?

[Ramirez] This is a clear case of blackmail directed at buying the will of Central American governments against Nicaragua, to cause Central American isolation of Nicaragua. We believe that there is still room for those Central American governments that will benefit from this damn money to reflect on this, that they will reject it, and in this way create a climate for peace. However, the acceptance by these governments of this aid package would tie their will to those who are giving them the money and giving the mercenaries money. All this would make the tense situation in the Central American region more critical and actute.

[Morales] Faced with this U.S. desire for isolation, what steps or initiatives will Nicaragua take to prevent itself from becoming isolated?

[Ramirez] We will continue to work within the framework of the Contadora Group, we shall continue to build up our position at the UN Assembly, in the Security Council, in the Nonaligned Movement. We shall continue to make use of all the relations we have managed to build up with different world communities, the socialist countries community of Eastern Europe, Latin America, and in Central America we shall continue to work on the Contadora negotiations, and we will take part in the Central American parliament project.

[Morales] You are one if those responsible for the country's economic planning. Can one conclude that with that amount of money handed to the counterrevolutionaries the project of wiping them out fairly quickly will take a little longer? How is the national economy affected by the war extension?

[Ramirez] Well, the national economy is suffering a tense process of misadjustments and deterioration as a consequence of the aggression that directly affects the country's capacity to produce and perform normal services. The national economy is not only suffering because of the daily destruction the counterrevolutionaries inflict upon cooperative settlements and other farm installations, but also because of the effect of the war itself on the normal working of the economy. We cannot hope to normalize the economic situation with this war situation and with this additional support the counterrevolutionaries are going to receive from the United States. This would not be possible. We hope we will come out ahead by handling this difficult situation, bringing together popular forces that are fundamental to a popular government, and by making use of moral and political resources in the hands of the people themselves and our organizational capacity. Unitl we reach peace we cannot normalize the economy. So what we have to do is to administer a war economy.

[Morales] On 4 July the expulsion of Bishop Pablo Antonio Vega was announced. What is the government's reason for this action?

[Ramirez] We have warned about this. President Ortega said after the U.S. Congress approved this aid to the counterrevolution that it would be necessary to strengthen the emergency law so as to not give the counterrevolution the possibility of creating a political space, and as a consequence a military and terrorist space within the country. A series of ultrarightist Nicaraguan leaders have started to conspire, linked to the Reagan administration interests, including some bishops, against the Nicaraguan Government's desire to maintain a pluralist space, a mixed economy space within the tense circumstances the aggression creates.

We made this warning. It went unheard. Bishop Vega set himself out on a defamation campaign against the revolution, against the country, justifying the U.S. Government's support of mercenary forces, to disregard the ICJ ruling, to justify all the crimes committed by the counterrevolutionaries in Nicaragua by its methods of terror. This situation became intolerable, and we have a serious responsibility to the people of Nicaragua. The revolutionary path has to be based on the confidence of the people of Nicaragua, and Bishop Vega was trying to undermine this confidence. We therefore made the decision to oust him from the country. In Honduras he can join, if he wishes, the counterrevolutionary forces that attack the country from the Honduran border.

[Morales] What international consequences could this have?

[Ramirez] We know that this is going to be the target of a great debate, that our enemies are going to sharpen their weapons to attack the revolution with high tones. We are prepared for this. We know that the revolution has a firm space in the world, that these actions are being taken precisely as a reply against the constant destabilization efforts on the part of the U.S. Government against Nicaragua. We are confident that these steps will be understood in the long run.

RAMIREZ TO ATTEND BARCO'S INAUGURATION

PA060056 Managua Radio Sandino in Spanish 0000 GMT 6 Aug 86

[Text] Sergio Ramirez will represent our revolutionary government at the presidential inauguration of Colombian Liberal politician Virgilio Barco Vargas. Ramirez, vice president of the Republic, will leave for Bogota tomorrow afternoon, according to sources close to the presidential house, a report from the German agency DPA states.

Ramirez could also participate in a session of the Latin American Parliament in the Colombian capital to institutionalize that continental forum which is expected to gain legal influence to better contribute to the solution of political, social, and economic problems in Latin America.

ASTORGA COMMENTS ON U.S. VETO AT UN COUNCIL

PA050451 Managua BARRICADA in Spanish 2 Aug 86 p 3

[By Xavier Reyes Alba]

[Text] United Nations -- In evaluating the results of a Security Council session convoked at the request of Nicaragua, Nora Astorga, Nicaraguan ambassador to the United Nations, has said that the United States lost "an excellent opportunity to show that it is on the side of international law."

Nora Astorga said: "The U.S. veto was predictable to a certain degree." However, as President Ortega said at the United Nations, "We cannot give up doing something because we think that the outcome will be "x" or "y."

Excerpts of an interview follow:

Question: What are your conclusions about the Security Council meeting?

Astorga: We could say that it was positive. The United States witnessed the world's concern over its aggressive policy against Nicaragua.

They witnessed their support for the court's ruling. The fact that the draft resolution was presented by five nonaligned countries has great political significance in itself. The fact that the draft received 11 favorable votes, 3 abstentions, and 1 veto from the United States, is equally significant from a political standpoint.

Question: Did Nicaragua expect a different outcome from the voting on Thursday?

Astorga: The U.S. veto was predictable to a certain degree. As President Ortega said during his speech, we cannot give up doing something because we think that the result will be "x" or "y." We must try all possibilities and the Security Council is the appropriate organization to stop what the world considers to be a threat to international peace and security.

Question: Ambassador Walters again used false arguments against Nicaragua. What is your opinion about the arguments used by the Reagan representative?

Astorga: They are the same arguments used before. Since 1981, their policy has been to seek justification for an aggression that has no legal, political, or moral justification. They presented the same arguments during the first phase of the trial at the International Court of Justice. The Court listened to them and ruled against them on various grounds. For example, it ruled that even if Nicragua makes internal decisions deemed inappropriate by the United States, that country has no right to intervene.

They ruled that the United States is violating international law by arming and financing the counterrevolution; that the U.S.' "collective self-defense" argument regarding an alleged Nicaraguan intervention in El Salvador, Costa Rica, and Honduras does not justify the use of force. The court ruled that Nicragua's "intervention" in Salvadoran affairs has not been proven.

Question: At times, Walters apparently seemed to have officially said that the United States would not support the court ruling, but the White House has not yet issued a statement in this regard. What is your opinion of this situation?

Astorga: At certain moments, it appeared that there was a U.S. message, but we must not interpret it in that way. If they had planned to respect the court ruling, they would not have vetoed the resolution. They had a historical opportunity. U.S. words do not matter, actions do. Those actions show that the United States attacks Nicaragua, vetoes the resolution, and in turn, the UN Charter.

Question: From a technical viewpoint, what maneuver possibilities did the United States have besides the veto?

Astorga: In the face of the court ruling, they have no other option than to disregard and reject it as evidence of their warmongering attitude and determination to solve their problems by forceful means.

Question: It is said that this debate provided Contadora with oxygen. Is this true?

Astorga: In general, Contadora was supported by all speakers and Security Council members. This must be interpreted as strength gained by Contadora in working to reach a Latin American solution to the Central American conflict.

Question: You said at the council that Nicaragua will continue to seek peaceful solutions. What is the meaning of that in real terms?

Astorga: On the one hand, it means that we will continue to defend our territorial sovereignty and integrity at the domestic and international levels. It also means that we will make all efforts within our reach to find the necessary conditions to achieve peace in Central America.

Problems in the region are not between Central Americans, but with the United States. We will continue to make all efforts at our struggle for the normalization of relations with the United States by using all appropriate international organizations until the United States puts an end to its aggression against the Nicaraguan people.

GOVERNMENT PROTESTS ALLEGED ATTACK ON DIPLOMAT

PA012241 Managua BARRICADA in Spanish 29 Jul 86 p 5

[Letter from Acting Foreign Minister Jose Leon Talavera to Honduran Foreign Minister Carlos Lopez Contreras; dated 28 July]

[Text] Managua, 28 July

Your Excellency, Mr Carlos Lopez Contreras, minister of Foreign Affairs

Tegucigalpa, Honduras

Mr Minister:

On this occasion I am addressing Your Excellency to refer to a most serious incident, about which I will now inform you.

On 27 July, at 2030, members of the Public Security Force (FUSEP) arrested the third secretary of our diplomatic mission in Honduras, Lorenzo Arias Gutierrez, who was in the Kong Chow Restaurant near the National Stadium in Tegucigalpa.

The third secretary of the Nicaraguan Embassy was arrested in spite of the fact that he insistently claimed that he has diplomatic immunity and exhibited diplomatic documents. He also showed them an identification card issued by the Honduran Foreign Relations Secretariat.

The Nicaraguan official was then forced to go to the Belen police station, where he was severely beaten in the face and insulted. As a result of the physical aggression, the diplomat's face still shows evidence of the abuse. Mr Arias was released at 2300 of the same day without being given any kind of explanation and without being returned some of his belongings. He was not allowed to communicate with our embassy while he was being held.

The Government of Nicaragua hereby formally and strongly protests this unprecedented incident that flagrantly violates the Vienna Convention on Diplomatic Relations, which establishes in its Article 29 the following: "A diplomatic agent is inviolable. He cannot be subjected to any form of detention or arrest. The host state will treat him with due respect and adopt adequate measures to prevent all attacks against him, his liberty, and his dignity."

The incident that has been described also represents a most grave violation of the human rights of Mr Lorenzo Arias because his physical and moral integrity were openly assaulted.

This incident occurred in spite of the insistent charges by the Nicaraguan Foreign Ministry in its notes of 16 and 24 July. In those notes the Honduran Government was alerted about a series of situations that made predictable the carrying out of attacks on diplomatic personnel and installations. In those notes Nicaragua urgently requested protection for our embassy and personnel.

That incident has taken place in spite of these formal requests, and of the positive response given by the Honduran Government in its cablegram of 25 July. The attack was carried out by precisely the Honduran authorities responsible for providing the protection that has been requested.

Based on the reasons stated here, the Nicaraguan Government hereby asks the Honduran Government for a full explanation and calls for new guarantees that the Nicaraguan Embassy will be protected as established in the Vienna Convention on Diplomatic Relations, and that the security measures for the embassy will be strengthened to protect the lives and the physical and moral integrity of the personnel.

Nicaragua hopes that this type of regrettable situation that is in violation of international obligations freely acquired by the Honduran Government will not be repeated.

I take advantage of this opportunity to reiterate to Your Excellency my appreciation and consideration.

Jose Leon Talavera, acting foreign minister.

ARGENTINA'S ALFONSIN CRITICIZES U.S. CONTRA AID

PA010411 Managua Radio Sandino in Spanish 0000 GMT 1 Aug 86

[Text] Mexico City (ANN) -- Argentina totally rejects U.S. aid for the Nicaraguan counterrevolution because this policy is contrary to the goal of seeking the establishment of pluralistic democracies on the Latin American continent, Argentine President Raul Alfonsin has said.

During an interview with the Mexican newspaper EXCELSIOR, the Argentine president, who will make an official visit to Mexico in the first days of August, said that the Argentine position on Nicaragua continues to be based on defense of the principles of respect for international law, self-determination, and nonintervention. Alfonsin, who rejected the idea that a Marxist-Leninist government exists in Nicaragua, as the Reagan administration wants people to believe, said that he believes it is improbably -- although theoretically possible -- that there will be a U.S. intervention in Nicaragua because the aid for the contras is evidence of a new position by the United States.

Regarding the Honduran, Salvadoran, and Costa Rican Governments -- allies of the United States in the area -- Alfonsin said that although those governments are the products of clean elections free of fraud, they have been unable to establish a social democracy to overcome the large social differences and the concentration of economic power in some sectors.

Referring to the foreign meddling in the regional conflict, Alfonsin added that Central America is experiencing a process of Lebanization, which he defined as a situation where the flags of every country but the one in question are hoisted. Regarding the efforts of the Contadora Group in the region, Alfonsin admitted that the group is suffering from stagnation compared to the achievements of a few months ago, which he attributed to the hardening of positions of the Central American countries.

The president of Argentina, a member of the Contadora Support Group, together with Brazil, Peru, Uruguay, insisted on the need to continue the mediation efforts in the Central American crisis. Alfonsin expressed his optimism about the results of the political meeting which several Latin American presidents and foreign ministers will hold on 8 August in Colombia, during the time when the new Colombian president is inaugurated.

BRIEFS

SOYBEAN, FISHMEAL SHIPMENTS -- Nicaragua has planned to invest $9,065 [figure as published] in soybean imports this year, thus beginning a 20,000-ton order for this cycle through credit lines with the PRC and Argentina. According to the most recent bulletin issued by the Ministry of Agricultural, Cattle Development, and Agrarian Reform Communications Department on agricultural information, 7,000 tons of fishmeal from Peru have arrived in the country to resolve the problems of balanced food for the various state-run and private poultry farms. [Summary] [Managua EL NUEVO DIARIO in Spanish 31 Jul 86 p 6 PA]

PRC SOYBEAN DONATION -- A new shipment of soybeans from the PRC arrived in Corinto today. The PRC people donated 5,000 tons of soybeans and 1,000 tons of various merchandise to Nicaragua. In addition, these people collected money for 2 years seeking funds to send these important products. The soybeans and the other merchandise were consigned to the External Cooperation Ministry and arrived at the [word indistinct] which is being unloaded by the stevedores here. [Text] [Managua Radio Sandino in Spanish 1750 GMT 2 Aug 86 PA]

MORE DONATIONS RECEIVED -- Today Sweden and the USSR presented valuable donations to Nicaragua. In port of Corinto, Swedish Ambassador Sven Gote Magnusson delivered $2.5 million worth of fertilizers and products for the chemical industry. Jose Angel Buitrago, vice minister of foreign cooperation, received the donation. At the same time the last 23,000 metric tons of a shipment of food donated by the brother people of the USSR were being unloaded in port of Corinto. [Summary] [Managua Radio Sandino in Spanish 0000 GMT 31 Jul 86 PA]

RAUL CASTRO NOTES DEVELOPMENT OF HOLGUIN PROVINCE

FL051329 Havana Television Service in Spanish 0000 GMT 5 Aug 86

[Remarks by Raul Castro, Vice President of the Councils of State and Ministries and FAR Minister, in Holguin on 26 July — recorded]

[Text] Holguin has been given responsibility for the gigantic Moa project which we have talked about recently. It is the country's nickel development site. We have to consider how underdeveloped it was in all areas — we are not going to mention factors that we have analysed on other occasions. We still have fresh in our minds the 26 July ceremony held here which practically coincided with the triumph of the Sandinist revolution. Twenty-six Sandinist Front commanders came here at that time. We can recall the information given comparing the past and present — as is customary in the Moncada anniversary speeches that Fidel delivers, as he did in Sancti Spiritus a few moments ago — noting the progess made in this province. This was 7 years ago.

There are problems here as in the rest of the country, but I do have to say as someone from Holguin, as a simple person from Holguin and a simple leader of our party, that I am proud — I believe Fidel feels the same way — of my Holguin, of all our eastern territory. Remember that when the new political-administrative division was announced Fidel did not say the eastern area had been divided but had multiplied. I have to be proud of the province's leaders at all levels, divisions, and organizations, and especially of my dear Comrade Miguel Cano, who comes from the same province I do.

BRAVO DEPARTS FOR COLOMBIAN INAUGURATION

FL052112 Havana Radio Reloj Network in Spanish 1802 GMT 5 Aug 86

[Text] Central Committee member Flavio Bravo, president of the national assembly of the People's Government (ANPP), has departed for Bogota, Colombia, to attend the inauguration of President-elect Virgilio Barco Vargas. Bravo was accompanied to Havana's Jose Marti International Airport by ANPP Vice President Severo Aguirre del Cristo and other leaders of the Cuban party and state.

U.S. 'ARMS RACE' DENOUNCED AT WORLD CONFERENCE

FL041247 Havana Radio Progreso Network in Spanish 1100 GMT 4 Aug 86

[Text] At the world conference against atomic and hydrogen bombs, Cuba has denounced the continuing U.S. Government arms race to achieve a military supremacy over the Soviet Union. In a speech at the conference, held in Tokyo, Rafael Lopez of the Cuban Movement for the Peace and Sovereignty of Peoples compared the Soviet Union's peace policy iwth the Reagan administration's aggressive attitude against countries and peoples throughout the world.

UN ENVOY SCORES U.S. POLICY ON NICARAGUA

PA032227 Havana International Service in Spanish 2300 GMT 1 Aug 86

[Report by correspondent Rosa Rivero from the United Nations -- recorded]

[Text] Nicaragua has tried to avoid a confrontation with Costa Rica and instead reach a peaceful solution to their disagreements. These efforts, however, have not succeeded, because Costa Rica has failed to take measures to check counterrevolutionaries' activities. This is grounds for the Nicaraguan Government's lawsuit against its southern neighbor, according to the The Hague International Court of Justice. Specific mention has been made of border incidents and armed attacks against Nicaragua, organized by the counterrevolutionaries from Costa Rican territory. These attacks have occurred more frequently and have become harsher since 1982.

Simultaneously, Nicaragua has filed a suit against Honduras. The charges include not only border incidents and armed attacks -- which have also occurred more frequently and become harsher since 1980 -- but they also specifically mention the Honduran Armed Forces' aid to the contras and the fact that the former have directly participated in military attacks against Nicaraguan territory. It has also been argued that the Honduran Government has threatened to resort to the use of force. In both cases, Nicaragua has asked the International Court of Justice to establish the legal responsibility of both Costa Rica and Honduras in violating the most important duties in the United Nations Charter and other multilateral treaties, as well as some duties established by international law. Here is Cuban ambassador Oscar Oramas Oliva speaking to the UN Security Council:

[Begin recording] The Reagan administration's undeclared yet brazen war against N Nicaragua ranges from economic embargo and slander campaigns against the Sandinist directorate to barbarous acts of war such as mining Nicaraguan ports and officially giving $100 million to the contras to murder women, children, and old people and destroy the Nicaraguan people's wealth. This policy can only be termed criminal. President Reagan himself has said it is immoral to impose an embargo on racist South Africa. However, it was Reagan who decreed this unilateral measure against Nicaragua. This president also says that embargoes affect people and not governments. Where is the logic of this argument and the immoral policy applied against Nicaragua and the immoral policy of embargoes that continues to be applied against Cuba? [end recording]

U.S. ROLE IN BOLIVIAN DRUG OPERATION SCORED

PA031927 Havana International Service in Spanish 2300 GMT 1 Aug 86

["Our America" commentary, read by Norberto Hernandez]

[Text] U.S. President Ronald Reagan, unfortunate demagogue on political matters, recently sent a message to his Bolivian colleague, Victor Paz Estenssoro, in which he described as courageous the La Paz government's decision to permit U.S. troops to destroy coca plantations in that high plateau country.

Reagan sought two objectives with the congratulatory message: to show publicly his decision to end drug trafficking, and to set a dangerous precedent in connection with his propaganda show [preceding word in English].

Most observers agree that if the Yankee government is really so interested in ending the U.S. drug problem, which even affects officials, the first step would be to destroy plantations and illegal trade networks which exist in that country and whose chiefs are well known to authorities.

By contrast, this diversionist maneuver tries to place the problem outside the border, even though last year marijuana became the United States number one crop, the value of its harvest surpassing that of corn by $100,000 [figure as heard].

The truth is that Reagan cares little that 60 percent of U.S. youths take drugs. The lucrative business of narcotics is very broad, and quite a few of the mafioso who benefit from this traffic financially back the government's most warlike plans, among which is the open aggression against Nicaragua.

But now 160 Yankee soldiers and 19 helicopters are operating in the Bolivian jungles, while the imperialist media emphasizes with lots of fanfare Washington's firm posture against drugs. The truth is that the U.S. military destroys crops indiscriminately, coca or not, and the chemical substances used have begun damaging unique vegetable species which have not even been studied yet by scientists.

Bolivian farmers are not to blame for the drug traffic. Choked by a brutal economic crisis, numerous farmers started growing coca as a way of subsisting, stimulated by the broad market these products have in the West, especially in the United States.

The Yankee military presence in Bolivia justifiably disturbs other countries in the area. This prescription could be orchestrated or even imposed by Washington in new geographic areas of the continent, and the consequences of such visits are now well known. With U.S. troops arrival comes child prostitution, pornography, the trampling of human and national dignity, drug addiction, and in recent times AIDS. Honduras, with a nest of U.S. bases, has had this bitter experience in the last few years.

This is why such an experience generates rejection inside and outside Bolivian borders and at the same time shows the hypocritical face of the White House's present occupant.

LEADERS DISCUSS COMMONWEALTH SANCTIONS IN LONDON

FL051553 Bridgetown CANA in English 1523 GMT 5 Aug 86

[By Bertram Niles]

[Text] London, Aug 5, CANA -- Six major Commonwelath nations were justified in imposing wide-ranging economic measures against South Africa, Barbardian Dame Nita Barrow said today.

Barrow was a member of the Commonwealth Eminent Persons Group (EPG) which spent six months on a South Africa peace mission that was wrecked by the white-ruled minority government. The EPG said that the absence of effective economic pressure had delayed the dismantling of apartheid in South Africa, adding that concerted action may offer the last chance to avoid a horrendous bloodbath.

Their report released nearly eight weeks ago was discussed over the past two days by seven of the 49 Commonwealth leaders. Six agreed to sweeping sanctions against Pretoria and the seventh -- Britain -- decided to go it alone with lesser measures.

They (the six) were very justified, said Barrow when asked by CANA to comment on the decision.

She said she was pleased by their action and described Britain's stand as negative.

Barrow, sister of Barbados Prime Minister Errol Barrow, said the economic sanctions would send a signal of support to those seeking change in South Africa since they already recoginized the major job would have to be done within the country itself.

In other reaction, Antigua and Barbuda's High Commissioner to London Ron Saunders said the final communique was the best that could be achieved.

The six countries had to proceed in the face of Britain's refusal to go along with them, Saunders said.

What's most important here however is that the Commonwealth has emerged much stronger for it. The Commonwealth is not one country, he said referring to Britain's traditional dominance of the grouping of its former colonies.

The fact that one member is of a different opinion than the other 48 does not mean this will weaken the others.

Britain, he said, would no longer play the central part in the Commonwealth, noting that countries such as Australia, Canada, India and Nigeria were already playing prominent roles.

These views came close to those expressed earlier by Bahamas Prime Minister Sir Lynden Pindling who said Britain had abandoned its leadership of the Commonwealth and new leaders would emerge.

Commonwealth Secretary-General Shridath Ramphal said the decision of the six had been true to the Commonwealth ideals, by choosing credibility over unanimity.

It marks the end of a no-sanctions policy on South Africa, agreed Ramphal, a former foreign minister of Guyana.

Indian Prime Minister Rajiv Ghandi said Britain had lost her role as leader of the Commonwealth by failing to recognize world opinion on the matter of sanctions.

Thatcher, he said, had compromised human dignity by refusing to support her six colleagues.

Zimbabwe Prime Minister Robert Mugabe expressed utter dismay and bitter disappointment at the Thatcher stand saying she had let Africa down. He gave a thinly veiled threat of possible reprisals against London.

Co-chairman of the EPG, former Nigerian head of state Olusegun Obasanjo, said the Commonwealth had been bruised by the experience.

Britain, he added, had given a signal, that it had lost interest in the Commonwealth.

On the domestic front, spokesmen for the opposition Labour Party and Social Democratic/ Liberal Alliance have criticised Thatcher.

Pindling Comments

FL051503 Bridgetown CANA in English 1354 GMT 5 Aug 86

[By Bertram Niles]

[Text] London, Aug 5, CANA -- Bahamas Prime Minister Sir Lynden Pindling predicted today that the United States and Western Europe would join six Commonwealth nations which announced sweeping economic sanctions against South Africa.

Pindling chaired the mini-summit of seven of the 49 Commonwealth nations which ended late last night without unanimous agreement when Britain's Prime Minister Margaret Thatcher refused to agree to hard-hitting measures against Pretoria.

I think the U.S. Congress will affirm the position taken by the (six) Commonwealth (members) to a very large degree (and) the President (Reagan) is going to sign something on the order of sanctions...

Then I think Europe is going to pay some attention to that and Mrs Thatcher, I am afraid, will find that she is out of step with everybody else, Pindling said.

He said that Britain, by its decision not to join the Bahamas, India, Australia, Canada, Zimbabwe and Zambia had sided with South Africa's white minority government and abandoned its leadership role in the Commonwealth.

There was now a question mark over Britain's standing with its 49 former colonies in the grouping.

I don't think it will ever be quite the same again. I think a new leadership is emerging in the Commonwealth.

New spokesmen will carry the Commonwealth ball wherever that ball has to run and that is the way I think it is going to run from here on in, Pindling said.

At a midnight press conference after the mini-summit had ended a day early, the Bahamas prime minister had announced that the six would immediately implement the eight punitive measures listed in the Commonwealth Nassau Accord last October.

These included a ban on air links and on the imports of agricultural products from South Africa.

There were also three additional measures -- a ban on all new bank loans to South Africa and on the import of uranium, ocal, iron and steel and the withdrawal of consular facilities except in certain circumstances.

The communique expressed concern and regret at Britain's stand saying substantial sanctions were a moral and political imperative, to push South Africa toward abandoning its apartheid policies.

But Thatcher, speaking in the early hours of today, said she remained steadfast in her belief that sanctions would not achieve that objective and would be counter-productive.

She had reluctantly agreed to limited sanctions to express commitment to the Commonwealth.

Britain said it would place voluntary bans on new investment and promotion of tourism to South Africa and to accept any European Community action on imports of iron, coal and steel. But British commentators and newspapers dismissed these measures as token, saying they would make little impact on the South African economy.

Britain's agreement for fuller sanctions was vital for Commonwealth action to be effective because of its extensive trading links with South Africa.

For this reason, the communique, said it would immediately embark on intensive consultations with the international community to try to secure concerted international action.

Pindling acknowledged that there was no guarantee that sanctions would work but said they were needed to hit the white South African in his pocket where it hurts most and set him thinking.

Without them, he said, the alternative could be civil war as South Africa had previously turned down logic, reason and persuasion by friends.

Seaga on Congress' Efforts

FL052126 Bridgetown CANA in English 1955 GMT 5 Aug 86

[Excerpts] Kingston, Jamaica, Aug 5, CANA -- Jamaica's Prime Minister Edward Seaga, expressing disappointment at Britain's refusal to join its Commonwealth partners in imposing stiff economic sanctions against South Africa, today said he hoped that the U.S. Congress will now provide the impetus for firm action against Pretoria's white minority government.

The lack of significant sanctions by Britain will undoubtedly be felt in the effort to bring pressure on the South Africa regime, Seaga told CANA today.

We now wait to see what happens in the U.S. Congress to see if that will set a pace and tone for other nations to follow. [passage omitted]

We hope that there will be in the U.S. Congress the sort of proposals and actions that will send the signal (to South Africa) and a direction for other countries, Seaga said.

JAMAICA

SEAGA DENIES RUMORS OF HIS RESIGNATION

FL052230 Bridgetown CANA in English 2215 GMT 5 Aug 86

[Text] Kingston, Jamaica, Aug 5 CANA -- Jamaica's Prime Minister Edward Seaga today described as absolute nonsense that he had offered Cabinet colleagues his resignation in the wake of his party's defeat in municipal elections a week ago.

The opposition Peoples National Party (PNP) had campaigned on the grounds that the elections would be a vote of confidence in the Seaga government.

The PNP, which is pressing for early general elections, received an estimated 57 percent of the popular vote, against 43 percent for the ruling Jamaica Labour Party (JLP) and will control about 11 of the 13 municipal authorities.

In conceding defeat Seaga said the party would have to analyze the results, its policies and leadership and there have been rumours here that he offered his resignation to Cabinet members.

That is absolute nonense, I have not even had a Cabinet meeting as yet, the Prime Minister remarked to CANA just before going into such a session.

Cabinet meetings are usually on Mondays, but yesterday's was postponed because of independence holidays here.

JLP sources said there had been very preliminary analyses of the election, but a thorough assessment would have to wait until final returns were ready and a breakdown of the voting patterns was available.

CANADIAN FOREIGN MINISTER PAYS 3-DAY VISIT

FL051513 Bonaire Trans World Radio in English 1130 GMT 5 Aug 86

[Text] Canadian Minister of External Relations Monique Vezina held talks with Jamaican officials and visited several projects funded by her government yesterday. The minister's 3-day visit, which began Sunday, coincided with Jamaica's 24th independence anniversary from Britain.

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OFFICIALS, CONGRESSMEN DISCUSS U.S. GRAIN SUBSIDY

PY061623 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1400 GMT 6 Aug 86

[Text] Buenos Aires, 6 Aug (NA) -- Reliable sources today reported that Economy Minister Juan Sourrouille this morning met with top Radical Civic Union [UCR] and congressional leaders to "review possible courses of action to be adopted" in view of the U.S. decision to subsidize its grain sales to the USSR and the PRC. The sources revealed that President Raul Alfonsin left precise instructions before leaving for Colombia and Mexico to analyze "all courses of action" and to draw up "a definite reaction" that can be implemented after the head of state returns to the country.

According to the sources, the prevailing approach of the government, which will be coordinated with the opposition parties, reportedly will demand a reduction of the interest rate applied to the foreign debt instead of reducing payments in any other way. The sources told NOTICIAS ARGENTINAS that the draft resolution that the UCR bloc will propose this afternoon in the Chamber of Deputies will seek to "summarize" the various political expressions that the U.S. attitude has aroused. The sources stated that the draft resolution will have a "high political content," but that it will avoid "sticking" to a position which could compromise future government actions on this issue.

They reported that the government's mood in light of the U.S. decision "is one of indignation," and that "there is a real belief that the U.S. attitude "seeks to change the world market" for raw materials "for its own benefit."

The sources reported that despite this "we cannot react as children," but "must analyze the most effective ways to counteract" the U.S. decision to subsidize its grain exports. The sources stated that "we will analyze this situation at the Economy Ministry and afterward decide on the attitude to be adopted."

The contents of the bill that the UCR bloc at the Chamber of Deputies could sign today will depend on the outcome of the above-mentioned meeting.

Senate Condemns U.S. Decision

PY070307 Buenos Aires DYN in Spanish 0215 GMT 7 Aug 86

[Text] Buenos Aires, 6 Aug (DYN) -- The Senate unanimously approved tonight two draft declarations "vigorously condemning" the U.S. decision to subsidize the sale of grains to the Soviet Union, PRC, and Japan, and asking the executive branch "to review" its policy regarding the negotiations and payments on the Argentine foreign debt. The Senate also approved a resolution to convey to the U.S. Senate the two declarations of condemnation that were passed by the Argentine Senate tonight. These moves to condemn the U.S. policy of subsidizing the sale of grains were initiated by the leaders of all the congressional blocs and were later approved unanimously by the Senate.

In condemning the protectionist measures adopted by the United States, the Argentine Senate noted "the insensitivity of the U.S. measures, which deliver a hard blow to the efforts Argentina and the countries of the South are making to readjust their economies in the face of the problems posed by the foreign debt."

The draft declarations approved by the Senate also point out that "the critical situation created by the commercial war the United States is waging upsets the countries of the South, which are making efforts to consolidate their democratic systems through economic growth and social progress."

In the preamble of these declarations, the Argentine congressmen recalled the decision taken by the U.S. Senate on 22 July approving the subsidized sale of grains to the Soviet Union, the PRC, and Japan. It was also pointed out that such a decision "negatively affects the Argentine economy, its growth and investments program, and, consequently, its foreign debt payments."

Senators Faustino Mazzuco (UCR) Alberto Rodriguez Saa (PJ) [Justicialist Party], Ricardo Laferriere (UCR), Libardo Sanchez (PJ), and Ricardo Leconte (Liberal Party of Corrientes) wrote the preamble to these declarations.

Compensation To Be Sought

PY070316 Buenos Aires TELAM in Spanish 0218 GMT 6 Aug 86

[Text] Buenos Aires, 6 Aug (TELAM) -- Finance Secretary Mario Brodersohn tonight stated that Argentina will stand by its decision to initiate negotiations this month with the IMF to obtain a new standby loan; and with its creditor banks, to reschedule payments of the principal of its debt that will fall due in 1985 and 1986. Brodersohn said that Argentina will request compensation for the loss of income it will suffer as a result of the U.S. decision to subsidize its sales of cereal grains to the Soviet Union, China, and India.

Brodersohn made this statement at the end of meeting chaired by Economy Minister Juan Sourrouille. Several issues, including the national budget, were discussed at this meeting. This unscheduled meeting, which was held at the Finance Palace, was also attended by Economic Coordination Secretary Adolfo Canitrot, Under Secretary for Economic Policy Jose Luis Machinea, and Central Bank Director Ernesto Feldman.

EDITORIAL DISCUSSES VISIT BY NICARAGUA'S CRUZ

PY021239 Buenos Aires LA PRENSA in Spanish 31 Jul 86 pp 1, 5

[Editorial by J. Iglesias Rouco: "A Visit That Has Been Kept Very Quiet"]

[Text] There is an internal memorandum going around in the Foreign Ministry with details of the activities of Arturo Cruz, Nicaraguan political leader, former adviser of the Sandinist regime, and currently an adviser of the Nicaraguan Opposition Union (UNO). As far as we know, the Alfonsin government is keeping its distance from Cruz, and it was even hesitant to grant him a visa, in contrast to the warm welcome usually given to Guillermo Ungo, one of the political leaders of the Salvadoran guerrilla movement, who was even received by the president.

Cruz's visit to Buenos Aires seems to be related to a project of the Nicaraguan contras to establish some kind of government in exile in 2 Latin American countries. Cruz, a former aide to Eden Pastora (who is also in conflict with the U.S. Government), was a member of the embassy of the Sandinist regime in Washington after the fall of the Somozist dictatorship. He met here until yesterday with political and union leaders of practically all tendencies, including the radicals. Cruz also met with businessman and heads of student organizations.

Obviously what the UNO representative is trying to explain in Argentina is the real situation in his country, a situation that has been disguised by Managua, which blames all Nicaragua's ills on the U.S. economic blockades and Washington's support for the "contras."

According to the Foreign Ministry memorandum, Cruz explains the Nicaraguan situation in the following manner:

1. The Nicaraguan political process is characterized by a permanent confrontation between the majority of the people at all levels and the Sandinist "elite" headed by the nine commanders who control the political power. The power of the Sandinist regime is based on the militarization of society, the complete control over the state security system, and the use of ideological propaganda which is basically aimed at gaining support in the international community.

2. There is a balance on the military front. The anti-Sandinist guerrilla groups are capable of keeping the conquered territory and, in time, of consolidating a parallel government in the country.

3. The aid that the contras are getting from Washington is both legitimate and beneficial. According to Cruz, the concepts of national sovereignty and nonintervention definitely cannot be applied to Nicaragua, owing to the influential presence in Nicaragua of the Soviet Union, Cuba, Bulgaria, and the GDR, which allied with the Sandinist regime, have "internationalized" the conflict. Therefore, those who oppose the regime and try to survive have no other choice than to seek foreign support.

4. The Sandinist regime presents itself before the international community as some kind of David in a struggle against the imperialist Goliath (the United States). This propagandistic scheme has been especially successful among the industrialized countries, where the middle classes view with concern and some guilt the poverty of the Third World. But what is really being waged in Nicaragua is not a war against imperialism, but a civil war: on one side the "elite" pro-Soviet Sandinists who are trying to impose an anachronistic Marxism-Leninism, and on the other side a "Zapata-style army" made up of peasants who are defending their rights in the face of the Soviet military apparatus.

5. During the first 2 and ½ years of the Sandinist government, Nicaragua received hundreds of millions of dollars in U.S. assistance. In less than 30 months, $1.6 billion in U.S. credits allowed Nicaragua to refinance its foreign debt on quite favorable terms, without submitting to IMF demands. These are huge figures in comparison with the Nicaraguan GDP which does not exceed $2 billion.

6. Sandinist Marxism is perhaps the most dogmatic of the Soviet world. Nicaragua has banned authors like Gramsci, Marcusse, Althusser, Trotsky, and even Mao, whose doctrine of "prolonged popular war" served as the ideological basis for one of the main Sandinist factions before the overthrow of Anastasio Somoza.

7. Accoding to Cruz, power in Nicaragua is now in the hands of what might be called "scientific Somozism," meaning a dictatorship identical to that of Somoza, with the added trappings of the ideology and practices of the Soviet-Cuban version of Marxist-Leninism. For some time it has kept all radio and television under control and now with the recent closure of the newspaper LA PRENSA (permanently under censorship before), the regime has eliminated the only relatively independent means of information.

The rationing cards and the so-called Sandinist Defense Committees (CDS), which are organs of espionage and repression overseen by Interior Minister Tomas Borge, installed in towns and cities, block by block, do the rest to ensure submission.

8. Despite the Sandinists' talk, the Soviet Union invests in this "model" billions of dollars more than in the Cuban model or in Vietnam, where it invests ten times less per capita (except in weapons). The Sandinist model rests on the absolute social militarization (which is only partially applied in Cuba), on a closed police mechanism, and, especially, on a primitive economic system of mere subsistence.

9. The main sources of support for the regime lie not in the rural or proletarian masses or in the small and medium rural landowners who resist forced collectivization, but rather in the old land-owning class associated with the Sandinist "elite," the Cuban and Soviet-bloc military "advisers," who number in the thousands, and, especially, in international public opinion headed by the "bourgeois" public of the Western "North," whose ideas remain trapped in "revolutionary" utopias. Also favoring Sandinism is the indifference of the countries that are not close to the "hot zone" of the East-West confrontation. They view the Central American drama as nothing more than a tropical phenomenon.

That indifference, which is quite visible in Argentina, makes it easy for our leftist sectors, including those in the government, to manipulate the Central American war demogogically for domestic electoral purposes in some instances, and in others, for the purpose of serving the strategic global interests of the Soviet Union. Logically, none of these groups which are always ready to welcome the Ungos of Latin America, wants to pay attention to Cruz, and they do not want others to pay attention to him.

These pro-Sandinists perhaps do not realize that their attitude may end up transforming Argentina into a "hot zone" in the context of the East-West confrontation. And signs pointing in that direction can be seen in some material of Soviet origin, which the YPF [Government Oil Deposits] has just moved into some "precarious government warehouses." But this is a story we will examine in another article. It will be sufficient today to point out as a bad omen the welcome given here to some protagonists in the Central American conflict, in contrast to the silence or quasi-silence with which other protagonists in the same conflict are received here.

AMBASSADOR TO ECUADOR 'FIRED,' RETURNS HOME

PY062052 Buenos Aires BUENOS AIRES HERALD in English 6 Aug 86 p 11

[Text] (DYN) -- Former Labour Minister Antonio Mucci has been fired as ambassador to Ecuador and recalled to Buenos Aires, Foreign Ministry sources said yesterday. No reason was given for the dismissal of the ambassador, who was labour minister for the first five months of the Raul Alfonsin administration until a dispute with Labour Secretary Gabriel Matzkin led to his removal.

LABOR MINISTER UNVEILS LEGISLATIVE PACKAGE

PY062105 Buenos Aires BUENOS AIRES HERALD in English 5 Aug 86 p 1

[Text] (NA-DYN) -- Labour Minister Hugo Barrionuevo went on television and radio at 9 pm last night to announce a comprehensive package of government labour legislation, four bills of which entered Congress yesterday.

This package breaks down into the restoration of collective wage bargaining, the creation of a labour guarantee fund, employee representation on the administration of state firms, and compulsory information and consultation procedures in all companies whether public or private.

The legislation aims at reducing state intervention in labour relations while obliging firms employing more than 100 persons to inform their trade unions every six months on the economic and employment situation of the firm as well as immediately on any innovation or development affecting jobs. Employee representatives on state companies would be elected secretly and directly for a two-year term.

A "social peace clause" under which the signatory union promises not to strike during the duration of the contract is to be a compulsory part of any collective wage bargaining agreement and the right to strike will be redefined. Under this clause the government will still be able to set limits to the wages which may be agreed and also order a return to work for a maximum period of two months if there is serious damage to the national economy or essential services as a result of strike action. There are also compulsory arbitration provisions, defiance of which can lead to a strike being declared illegal.

Other items include reforming the hiring system in ports, improving working conditions and changing labour inspection procedures.

According to the reforms the right to strike cannot affect other rights of greater or equal importance, Barrionuevo said. The state was obliged to maintain essential public services, he also said. The bill covering the right to strike had still to be finalized, Barrionuevo explained, and a law to govern trade union activity would also be introduced, he said.

There would also be wage guarantee funds based on special labour credits and employer contributions of 0.5 percent of company earnings which would protect the worker from the bankruptcy of his employers and ensure the smooth payment of severance pay and family benefits. Payments out of this fund would not be able to exceed three times the minimum wage.

All the above proposals were open to public debate at all levels, Barrionuevo assured his audience. The minister expressed optimism about the current state of industrial relations. Democracy, modernization and efficiency were the watchwords of his address.

CGT secretary-general Saul Ubaldini yesterday said that the CGT would be preparing its own labour legislation package and presenting it to congressmen next week.

TROCCOLI ON FIRMENICH, SUBVERSIVE ACTIVITIES

PY032219 Buenos Aires BUENOS AIRES HERALD in English 3 Aug 86 p 15

[Text] (NA) -- Interior Minister Antonio Troccoli denied yesterday that the Revolutionary Peronist faction was carrying out any subversive activities and that former Montonero leader Mario Firmenich was not condemned to isolation. Troccoli said that Firmenich was imprisoned under a constitutional regime that guarantees the freedom of thought, and allows him to communicate with his friends outside the prison. Prosecutor Juan Romero Vitorica earlier claimed that Firmenich is organizing a subversive comeback from his prison cell in Villa Devoto.

CONGRESS SPLIT OVER PRESENCE OF U.S. TROOPS

PY061629 Paris AFP in Spanish 1601 GMT 5 Aug 86

[Text] La Paz, 5 Aug (AFP) -- It was officially announced today that Bolivian opposition congressmen will question four ministers and the Bolivian ambassador to the United States for admitting U.S. troops into the country without consulting Congress.

The officials who will be questioned are Foreign Minister Guillermo Bedregal Gutierrez, Defense Minister Fernando Valle, Interior Minister Fernando Barthelemy, Planning Minister Gonzalo Sanchez de Lozada, and Ambassador Fernando Illanes.

Oscar Zamora Emdinacelli, former Senate president, said that in his opinion the cogoverning parties, the Nationalist Revolutionary Movement (MNR) and the Nationalist Democratic Action (ADN), are guilty of high treason for admitting the U.S. troops into the country.

Meanwhile, the deputies of the MNR have decided to display on their benches a Bolivian flag with a black band as a sign of mourning for what they have described as an invasion by the United States of the national territory.

Mario Rueda Pena, an MNR leader, has said that the flag will be kept there as long as the Yankee occupation lasts.

Ema de Torres, representing the Board for the Defense of the National Sovereignty, a group comprising dozens of labor unions, organizations, and political parties and hundreds of leading personalities, has called upon Congress to order the withdrawal of the U.S. soldiers, because their presence in the country violates constitutional principles.

On the other hand, ADN and MNR congressmen have reaffirmed their support for President Victor Paz Estenssoro's decision to receive U.S. help in the fight against drug trafficking.

BARTHELEMY DISCUSSES NEED FOR ANTIDRUG CAMPAIGN

PY061725 Madrid EFE in Spanish 0221 GMT 6 Aug 86

[Text] La Paz, 5 Aug (EFE) -- Interior Minister Fernando Barthelemy has stated that the struggle against drug trafficking and the control of that illegal activity will be run exclusively by Bolivian personnel as soon as the country has the necessary equipment for that task.

He said that the Bolivian Government has already requested, through the U.S. Embassy, the support of the Reagan administration to provide the Bolivian police with sufficient resources to follow up the antidrug operations.

Barthelemy added that in addition to airplanes and boats, it is also necessary to obtain radar equipment, weapons, and vehicles that will facilitate the better deployment of specialized forces. He said that the U.S. President will have to assess the current situation of the police unit in charge of repressing the traffickers.

The requirements, he stated, have probably been taken into account by the U.S. military officers who are currently in Bolivia, and this will certainly facilitate the assessment.

The Bolivian interior minister then expressed his confidence that the U.S. Administration will grant the Bolivian needs. Barthelemy added that when those means are in the hands of the national police, the antidrug operations will be conducted solely by Bolivian forces.

He concluded by saying that should the supply of this equipment be consolidated in the next few weeks, the withdrawal of U.S. troops headquartered in Trinidad, capital of El Beni Department, northeast of La Paz, could be accelerated.

LAB AIRLINE WORKERS END STRIKE 5 AUGUST

PY060255 Paris AFP in Spanish 0235 GMT 6 Aug 86

[Text] La Paz, 5 Aug (AFP) -- Lloyd Bolivian Airline (LAB) workers today suspended their strike, and all LAB flights will be resumed today, LAB union leader Juan Urrutia announced here today.

After arduous negotiations it was agreed to entrust General Jaime Nino de Guzman with the task of reorganizing the LAB executive board. Gen Guzman also vowed to give the necessary guarantees to the LAB workers.

The strike today was in its 7th day, and more than 100 workers were ready to call a hunger strike to demand the dismissal of LAB executives, whom they regard as incompetent.

BRIEFS

MEASLES OUTBREAK IN GUAYARAMERIN -- This week two children died of measles in Guayaramerin. An outbreak of measles is affecting 60 percent of the local children. Many cases of mumps have also been reported in this city. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 29 Jul 86 PY]

CIVIC ASSEMBLY CALLS FOR TRANSITION FORMULA

PY020102 Santiago Radio Chilena in Spanish 1700 GMT 1 Aug 86

[Text] Ricardo Vacarezza, the National Civic Assembly [ANC] coordinator, this morning said that so far the political parties have not been able to make a decisive effort to obtain a unified political formula for transition and return to democracy.

Vacarezza also indicated that he is going to demand from all political parties a plan to get the country out of the current crisis. In a press conference the civic leaders expressed their total support for the statement by Cardinal and Santiago Archbishop Juan Francisco Fresno over the case of the burned youths. They also rejected the declaration by the Supreme Court regarding Cardinal Fresno's statement.

[Begin Vacarezza recording] In the face of this event the ANC expresses its solidarity with the statement made by the cardinal, because it is the genuine expression of the feelings of the great majority of Chileans who do not feel protected by the courts in the face of the abuse of power and the systematic violations of basic human rights. The Chilean church, because of its historic tradition, is the real voice of those who have no voice. The words of the Santiago archbishop on values and conduct under the current circumstances should become a reference for the decision of those who called themselves Catholics. [end recording]

The ANC stated: We believe that the Supreme Court, instead of interpreting the cardinal's statement as an offense, should contemplate his words and take effective and clear measures to resolve the serious crimes which have been committed in the last few years, regarding which the entire country seeks clarification. During the meeting with the press, Ricardo Vacarezza disclosed the assembly's activities during August. One of them is a demand that all political parties prepare a unified program for transition and return to democracy.

[Begin Vacarezza recording] The ANC has decided to begin a very clear policy to demand from the political parties decisive efforts to obtain a unified political formula for transition and return to a democratic regime. This is something that has been pointed out from the very beginning. Just as the ANC demands from the government the fulfillment of proposals made by social sectors, it also demands from political parties an adequate political solution to the crisis affecting the country. In this regard the ANC is also going to start several actions with this aim. [end recording]

The ANC also announced that the boycott campaign on some products will be maintained and that the activities in support if the civic leaders still under arrest will be increased. The assembly is also going to hold an act of solidarity with Carmen Gloria Quintana and will continue expanding the ANC throughout the entire national territory.

'Drive for Democracy' Slated

PY030030 Madrid EFE in Spanish 0242 GMT 2 Aug 86

[Text] Santiago, 1 Aug (EFE) -- ANC Coordinator Ricardo Vacarezza today announced that "a drive for democracy" will be held early in September.

The drive is slated for 4 September, the date on which Chileans used to elect a new president every 6 years. Vacarezza also announced that several activities will be held on 20 August within the framework of "a drive for justice and peace," which will be designed to prepare the 4 September demonstration.

Pinochet Rally Proposed

PY070208 Madrid EFE in Spanish 1410 GMT 6 Aug 86

[Text] Santiago, 6 Aug (EFE) -- Manuel Contreras, chairman of the National Autonomous Organizations Front [Frente Nacional de Organizaciones Autonomas -- Frenao] today proposed a public rally of all followers of General Augusto Pinochet's regime. According to Contreras, this rally could be held before 11 September 1986, the day on which followers of the government will celebrate the 13th anniversary of General Pinochet's assumption of power. He said that it is important to demonstrate, through a rally, the support the military government is receiving from the people, especially due to "the great misinformation" existing in the world on what is happening in Chile.

AD LABELS PINOCHET'S REMARKS 'RUDE, VULGAR'

PY021435 Santiago Radio Chilena in Spanish 2300 GMT 1 Aug 86

[Text] The Democratic Alliance [AD] has strongly rejected comments by General Augusto Pinochet about political parties. The AD pointed out that the comments are rude and vulgar and that they degrade the Army, the Armed Forces, and the nation. The AD released a statement read by Julio Subercasseaux, a leader of the Republican Party:

[Begin recording] The AD has the painful duty to express its categorical rejection to the continuous and repeated rude and vulgar expressions by Gen Pinochet regarding political leaders. This offensive language which has never before been heard from a president of Chile degrades the Army, the Armed Forces, and worst of all the entire nation. No one has the right, especially not someone who uses and abuses the resources of the state, to label as dishonest the politicians who have made austerity a way of life. [end recording]

The AD added that no one has the right to label politicians as ambitious, especially someone who has clung to power for 13 years.

[Begin Subercasseaux recording] No one has the right, especially not someone who cannot leave the country because of his international image, to criticize political leaders for merely accepting invitations from foreign democracies. This is now the style of engaging in politics. We once again call for good sense and prudence. We believe that this language is aimed at provoking us and at deepening the polarization which, unfortunately exists in Chilean society. We will not fall into this provocation. On the contrary, we will continue to stress the need to seek a political solution to the crisis. We appeal to the people and to the moral forces of the country to reject polarization and to try again to find the traditional values of respect and tolerance in our country. [end recording]

The AD is studying mobilization plans including whether to request a permit for a demonstration next September.

MISSING STUDENT LEADER FOUND DEAD 6 AUGUST

PY070347 Madrid EFE in Spanish 0009 GMT 7 Aug 86

[Text] Santiago, 6 Aug (EFE) -- The National Intelligence Centre (CNI, political police) informed the Chilean Human Rights Commission today that a student leader who had disappeared 4 days ago has been found dead.

The dead student is Mario Martinez Rodriguez, executive secretary of the Santiago University Students Federation (Feusach), whose whereabouts were unknown since noon on 2 August.

This information was confirmed to EFE by the coordinator of the Chilean Human Rights Commission, Andres Rodriguez, who said that the CNI director, General Humberto Gordon, revealed nothing more than where the body was found: Santo Domingo Beach, 125 km southeast of Santiago on the Pacific coast. General Gordon did not mention the circumstances in which the body of the student leader was found, nor the place where the body was taken, Andres Rodriguez reported.

APPELLATE COURT CONFIRMS PRISON SENTENCES

PY061652 Madrid EFE in Spanish 0317 GMT 6 Aug 86

[Text] Santiago, 5 Aug (EFE) -- The Santiago Appellate Court today confirmed the 6-year-and-2-day prison sentence passed down by a first instance judge against three people who were detained during an antigovernment demonstration in November 1985. A sentence of 3 years and 1 day was also confirmed for a fourth detainee.

The first three have been identified as Luis Olea Cifuentes, Luis Mena Salas, and Nelson Arriagada, who were accused of having participated in the demonstration and using incendiary devices, blunt instruments, and tire busters. The fourth, identified as Salvador Vasquez Villagra, was accused of transporting the incendiary devices and other materials.

These four detainees were prosecuted for presumed violation of the State Security Law and indicted by the Santiago Military Superintendancy.

FORMER COMMUNIST SENATOR RECEIVES SENTENCE

PY061614 Santiago TELAM in Spanish 0451 GMT 6 Aug 86

[Text] Santiago, 5 Aug (TELAM-EFE) -- Former Communist Party Senator Alejandro Toro was sentenced to 1,082 days in prison by the Supreme Court of Justice, which reversed a previous ruling by the Santiago Appellate Court. The former senator was indicted following a decision by the military government after a Santiago magazine published a paid advertisement entitled "Communist Party Manifesto to the Chilean People" signed by Toro.

Special Judge Marcos Libedinsky acquitted Toro, a ruling that was confirmed by the Appellate Court and has now been reversed by the Supreme Court. The ruling against Toro has been sent to the Parole Board where he must report every day while the punishment is in force.

GEN LEIGH, FACH MEMBERS FORBIDDEN TO LEAVE

PY051622 Madrid EFE in Spanish 1458 GMT 5 Aug 86

[Text] Santiago, 5 Aug (EFE) -- A Santiago judge who is investigating the case of 10 missing Communists has issued an order forbidding 32 Air Force [FACh] members from leaving the country. The order affects former FACh commander in chief and former Government Junta member General Gustavo Leigh. According to an exclusive report published today by the Santiago newspaper LA TERCERA DE LA HORA, the order issued by Judge Carlos Cerda affects generals, colonels, commanders, captains, and sergeants.

In the same case, Judge Cerda last year ordered that Commander Roberto Fuentes be arrested and held incommunicado on charges of leading a group called the Joint Anti-subversive Command. According to specialists in human rights violation cases, the group participated in the illegal arrest of the 10 Communist leaders who disappeared in 1976.

Fuentes was later released, and the judge has not yet been able to prove the military men's involvement in the case.

LABOR MINISTER CITES UNEMPLOYMENT DROP

PY062358 Santiago Radio Chilena in Spanish 1700 GMT 5 Aug 86

[Relay from Government House by Eliana Henriquez]

[Excerpt] Labor Minister Alfonso Marquez de la Plata has termed very positive the 11-percent unemployment rate registered during the last quarter. The figure, which was released today by the National Satatistics Institute, is similar to that of the previous quarter.

Marquez de la Plata stated that the stabilization of this rate is very important because the unemployment rate usually rises at this time of year. The minister went on to say that this stabilization allows us to predict that the unemployment rate, which is already below the international unemployment rate, will continue to drop during the summer and spring. He also said that this figure shows that the government's economic and social policy is correct. [passage omitted]

EX-M-19 MEMBERS REQUEST ASYLUM AT SWISS EMBASSY

PA061242 Madrid EFE in Spanish 0246 GMT 6 Aug 86

[Text] Bogota, 5 Aug (EFE) — Gustavo Fajardo Celis and Javier Posso Vargas, former members of the M-19 today requested political asylum at the Swiss Embassy in Bogota to escape from "military persecution."

Fajardo, who accepted official amnesty in 1982, and Posso, pardoned by the Supreme Court of Justice, arrived at the Swiss diplomatic mission in Bogota, where they said they were being persecuted and had received anonymous threats.

"Just to save our lives and not to face the same fate of hundreds of people who have accepted the amnesty and have been killed, we have decided to take refuge to ask for political asylum," Fajardo and Posso said in a communique to EFE.

The former guerrillas, one a lawyer and judicial branch official, asked for the presence of an Attorney General's Office official travel and arrangements to Switzerland. However, it was learned that there were no treaties of this type between Colombia and Switzerland.

The two former guerrillas added that for months they have been subjected to persecution, accused of possession of automatic weapons, their homes have been searched, they have received written and telephone threats, and their families subjected have been interrogated by paramilitary groups. They warned against a "dirty war" and "the Argentinization of the country."

M-19 OCCUPIES NEMOCON, SEEKS BARCO PACT

PA062057 Madrid EFE in Spanish 2025 GMT 6 Aug 86

[Text] Bogota, 6 Aug (EFE) -- This afternoon the M-19 peacefully occupied the town of Nemocon, 70 km north of Bogota, to propose to the Virgilio Barco Vargas government that will be sworn in tomorrow a "pact that will lead to peace."

An anonymous spokesman for the group said that during a telephone call to EFE that the occupation is peaceful and has been carried out by the "Bolivarian Militia" of the M-19 to "insist on the need to create a new pact with the Barco Vargas government."

Meanwhile, police sources reported on the CARACOL radio network that communications with Nemocon have apparently been cut off.

The Cundinamarca police command sent reinforcements to the area.

Group 'Attacks' Nemocon

PA070321 Bogota Television Service in Spanish 0000 GMT 7 Aug 86

[Text] With an obvious desire to gain publicity, a guerrilla group attacked the town of Nemocon, north of Cundinamarca and barely 1 hour from Bogota.

The audacious attack was aimed at the police post and a bank branch. A policeman was killed and an agent was wounded during the attack; two civilians were also wounded. Bombs which were left in the Telecom [National Enterprise for Telecommunications] building, the municipal offices, and a gas station were deactivated after the attackers escaped. The police have begun a land and air chase of the group, which was traveling in two vehicles.

EPL GUERRILLAS OPPOSE BARCO, KILL 2 SOLDIERS

PA060304 Bogota EL SIGLO in Spanish 31 Jul 86 pp 1, 2

[By Eduardo Carrillo]

[Excerpt] [Passage omitted] A Navy officer and an Army NCO were wounded during an attack by the so-called "Pedro Leon Arboleda" (PLA) Urban Detachment's "24 July Heroes" commando of the Popular Liberation Army (EPL), southwest of Bogota.

Authorized spokesmen for the Defense Ministry and National Police reported that soldiers were waiting for National Navy and Air Force buses on South 33d Street and 74th Avenue in the Kennedy City neighborhood when three men in a Chevette opened fire on them.

During the attack, National Navy Frigate Lieutenant Victor Martinez Vargas and Army 2d Corporal Emmerei Monroy Correa were wounded and taken to the Central Military Hospital.

Doctors from the military hospital reported that Martinez Vargas was wounded in the ankle and right leg. Monroy Correa was hit by three shots in various parts of her body. A medical report states that Martinez Vargas is not in serious condition, while Monroy Correa's condition is delicate.

The gunmen left behind subversive propaganda pertaining to the PLA detachment of the so-called EPL and opposing President-elect Virgilio Barco Vargas.

The reappearance of the PLA detachment caused concern in state security organizations as well as in the National Police and Army. That subversive faction was nearly dismantled in Bogota, the eastern plains, and Valle del Cauca Department after policemen and soldiers were murdered 5 years ago. Most of its members and leaders, including Carlos Avilan Patino, are serving lengthy jail sentences for numerous crimes, including rebellion, murder of peace officers, and theft of weapons exclusively used by the Armed Forces.

As for the attackers of the soldiers in Kennedy City, it was reported that their vehicle had been stolen a few hours previously in Bogota.

ABDON SAGUIER: PEOPLE HAVE 'RIGHT TO REBEL'

PY052145 Asuncion HOY in Spanish 4 Aug 86 p 9

[Text] "From a certain viewpoint, the opinions of engineer Romero Pereira [State Counselor Engineer Carlos Romero Pereira Arza] are objective and consistent because it is obvious that the current regime is a 'let-us-give-thanks' system in the sense that the small and negligible achievements that we Paraguayans have are just gracious concessions by an almighty person who could well be compared to an absolute monarch."

This comment was made by Dr Miguel Abdon Saguier [a leader of the opposition Authentic Radical Liberal Party] when he was asked about remarks by the Colorado leader during a panel discussion at the metropolitan seminary.

Abdon Saguier added that "unlike these gracious autocratic concessions, achievements under a democratic system are the normal result of exercising individual and collective rights in a community that enjoys a state of law."

Saguier also stated that he shares with Romero Fereira the opinion that "the people have a legitimate right to rebel against oppression. No one can deny to a subjugated nation the right to resort, if necessary, to force to overthrow tyrannies."

In conclusion, Saguier stated that he disagrees with Romero Pereira when he speaks of a Colorado majority. "That would have been demonstrated under a free system, but under current conditions, to speak of a Colorado or liberal majority is to prophesy. And a politician must rely on objectivity, not on divination," he said.

SECURITY FORCES PUT DOWN PRISON DISTURBANCE

PY310211 Asuncion Radio Nanduti in Spanish 0135 GMT 31 Jul 86

[Text] We report the following news: As a result of a prison riot that began this afternoon inside Tacumbu National Prison, an inmate was seriously wounded by gunfire and taken to a hospital. Another prisoner was treated at the prison, and many others were hurt, according to initial reports.

The riot started early this afternoon and it was started by Brazilian prisoners, who broke down the iron doors that enclosed them in an isolated section of the prison where they were being held for disciplinary reasons.

The mutiny attempt was put down by special security forces. Brazilian inmate Juan Alberto Ferreira, 25, suffered gunshot wounds in the head and thorax, and was taken to a hospital.

First aid doctors arrived at the prison to assist the inmates. By evening the situation was under control. Today's disturbance comes after similar, even more serious ones, which were also started by Brazilian inmates a few months ago. Attempts to dig tunnels have also been discovered on several occasions in this prison.

GARCIA TO ATTEND NONALIGNED SUMMIT IN ZIMBABWE

PY070216 Paris AFP in Spanish 1740 GMT 6 Aug 86

[Text] Lima, 6 Aug (AFP) -- Government sources reported here today that President Alan Garcia will soon travel to Harare, Zimbabwe, where he will attend the nonaligned summit that will start on 27 August.

Although the exact dates of the trip have not been confirmed, official sources have noted that the young president had been expressly invited to participate in the nonaligned meeting that will be attended by numerous heads of state, heads of government, foreign ministers and special missions from the five continents.

Important political-economic issues will be discussed at the summit, particularly the hot issue of the foreign debt [words indistinct] bilateral relations and general measures to promote cooperation.

GENERAL INVOLVED IN PRISON RIOTS TO APPEAR IN COURT

PY060320 Madrid EFE in Spanish 0047 GMT 6 Aug 86

[Excerpt] Lima, 5 Aug (EFE) -- Supreme Court President Hector Beltran has reported that General Jorge Rabanal, the person responsible for the repression of the Lurigancho Prison uprising, which resulted in 124 deaths, must appear before the trial judge on 8 August.

The president of the Supreme Court also said that Judge Hernan Saturno has already asked military authorities to place the general at the disposal of his court.

Notwithstanding, it still has to be decided whether the civilian or military courts will have jurisdiction over the case of Gen Rabanal. This decision has to be made by the Supreme Court.

The prosecutor's office maintains that the uprisings by alleged members of the Shining Path Group on 19 June in Fronton, Lurigancho, and Santa Barbara Prisons were civilian and not military uprisings and, therefore, the cases should come under the jurisdiction of civilian courts.

Army Gen Jorge Rabanal had under his command the members of the Republican Guard who, according to President Alan Garcia himself, executed with a shot in the head more than 100 prisoners, who had surrendered and were harmless. [passage omitted]

MRTA COMMANDOS TAKE OVER 2 RADIOS IN CUSCO

PY070219 Paris AFP in Spanish 1709 GMT 6 Aug 86

[Text] Lima, 6 Aug (AFP) -- The police reported here today that last night Tupac Amaru Revolutionary Movement (MRTA) commandos simultaneously took over two radio stations in Cusco, located at 1,155 km southeast of Lima. They added that after overpowering the personnel, the commandos proceeded to broadcast subversive proclamations.

The insurgent groups, armed with revolvers, broke into the Super Radio and Radio Mundo broadcasting stations, and, after overpowering the personnel, proceeded to broadcast taped messages containing subversive proclamations for 15 minutes.

Gustavo Infante, the manager of one of the radios, said that they were ready to do anything and they threatened to kill us if we did not obey their orders.

The MRTA attempted to break into the Radio Mundo broadcasting station on 4 August, but its plans were frustrated because of the sudden presence of police. The series of radio station seizures started on 2 August when MRTA commandos took over the internal radio station of a market located in the Huanchaco district and proceeded to broadcast proclamations regarding the armed struggle.

BOMB EXPLODES AT LIMA INTERNATIONAL AIRPORT

PY070333 Paris AFP in Spanish 0215 GMT 7 Aug 86

[Text] Lima, 6 Aug (AFP) -- Officials have reported tonight that a bomb exploded at the international airport without causing any major damage or casualties. The low-powered bomb exploded in a bathroom of the domestic flight section.

It was surprising that the terrorists were able to get to the passengers boarding area in view of the strict security measures implemented in the airport several weeks ago.

Other sources indicated that shots were heard at the air base adjacent to the airport, but these were apparently caused by a nervous guard.

BRIEFS

DEPUTY MINISTERS APPOINTED -- The Official Gazette yesterday published the supreme resolutions appointing the new labor and social development deputy ministers, Victor Salas Merinde and Domingo Freidman Gonzalez, respectively. Salas is a well-known union leader of the General Confederation of Peruvian Workers, which is headed by Julio Cruzado Zavala. This is the first time that a worker will occupy a high-ranking position in public administration, Labor Minister Orester Rodriguez Campos said. The deputy ministers will probably assume their positions today. [Text] [Lima Radio del Pacifico in Spanish 1300 GMT 6 Aug 86 PY]

SANGUINETTI CRITICIZES U.S. EXPORT SUBSIDY

PY061610 Buenos Aires TELAM in Spanish-0923 GMT 6 Aug 86

[Text] Buenos Aires, 6 Aug (TELAM) -- President Julio Maria Sanguinetti has criticized the U.S. decision to subsidize its grain exports to the Soviet Union, stating that protectionism among industrialized countries is an attack against the heart of the democratic system of the producing countries.

In a statement to the newspaper LA RAZON, Sanguinetti said that protectionism aggravates the economic problem, increases the influence of the debt on domestic economic problems, and thus becomes a powerful factor in political destabilization.

Sanguinetti said that protectionism also diminishes the possibility of resolving social backwardness and hits workers and small businessmen. In a nutshell, it affects us to the very core of democracy, he states.

Concerning the scarce resources by which the underdeveloped countries can reverse the decision of the Reagan administration, the Uruguayan head of state said that we must resort to moral pressures. An awareness of the negative impact that protectionism can have on democratic stability must be created, Sanguinetti concluded.

POLITICIANS LAUNCH CAMPAIGN TO HELP NICARAGUA

PY062050 Paris AFP in Spanish 1433 GMT 6 Aug 86

[Text] Montevideo, 6 August (AFP) -- Representatives of some of the more important Uruguayan political forces have launched a campaign to provide economic aid for Nicaragua, thus joining the solidarity movement started in Argentina, Mexico, and Peru, and Venezuela.

According to the organizers, the purpose of the campaign is to counter the financial support ($110 million) [as received] that the U.S. Government recently approved for the Nicaraguan contras.

In a communique, the Uruguayan politicians said that this solidarity, this fight for peace and life, must develop into a movement capable of averting war and destruction.

One of the politicians explained that this aid is intended only to help cover the needs of Nicaragua, which is forced to invest large sums in defense.

LUSINCHI ON COLOMBIA TRIP, AIR FORCE CRASH

PA062007 Caracas Television Service in Spanish 1600 GMT 6 Aug 86

[Text] A few moments ago President Jaime Lusinchi departed for Bogota, where he will attend the inauguration in Colombian President-elect Virgilio Barco Vargas. Lusinchi is accompanied by the defense, foreign affairs, and finance ministers and other special guests.

Members of his cabinet and of the military high command were present at his departure. Minutes before, Lusinchi had sworn in Interior Minister Octavio Lepage as the acting president during his absence. The ministers who will replace the foreign affairs, interior, finance, and defense ministers while they are away from their posts were also sworn in.

President Lusinchi made a statement to journalists regarding his brief visit to Colombia, during which he will reaffirm the friendly ties between the two countries. Lusinchi also referred to yesterday's aviation accident in the country's central region, in which three Mirage planes crashed.

[Begin recording] [Lusinchi] During our visit in Colombia we will have the opportunity to hold informal talks with several heads of state, as well as with several prominent Latin American leaders and personalities from other countries and continents. No formal meeting is scheduled, nor is there any special agenda; so any speculation in this regard is just imagination.

[Reporter] Mr President, what can you tell us about yesterday's accident involving the Mirage aircraft?

[Lusinchi] Well, a thorough investigation is being conducted on this grave accident. Possibly tomorrow we will have additional information. However, we cannot say much yet because we are conducting an exhaustive investigation to take the necessary corrective measures and learn the exact cause of the accident. In any event, I believe that the Armed Forces will be submitting additional information tomorrow. [end recording]

NO CASUALTIES IN 5 AUGUST AIR CRASH

PA061229 Caracas Television Service in Spanish 0000 GMT 6 Aug 86

[Excerpts] The Defense Ministry tonight issued a second communique confirming that the pilots of the planes that crashed are safe. Just as we reported this afternoon, the accident took place at exactly 1000, when the aircraft were hit by strong winds and went out of control, forcing the pilots to abandon their planes to save their lives. [passage omitted]

Lack of ground communications and poor weather were important factors in the accident, which was the worst in Venezuelan Air Force history. [passage omitted]

GROUP OF SIX LEADERS BEGIN MEETINGS

De la Madrid Honors Leaders

PA061615 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 6 Aug 86

[Text] President De la Madrid is hosting a dinner in honor of the heads of state meeting here. This is the first occasion on which the members of the Group of Six have gathered in Ixtapa-Zihuatanejo.

The leaders arrived at the [name indistinct] guest house, where the Mexican president is staying. Swedish Prime Minister Ingvar Carlsson was the first to arrive, followed by Indian Prime Minister Rajiv Ghandi. [Argentine President] Raul Alfonsin followed, accompanied by four Argentine officials

Former Tanzanian President Julius Nyerere arrived next, followed a few minutes later by Greek Prime Minister Andreas Papandreou. President de la Madrid welcomed each of the statesmen to the informal meeting. Journalists, photographers, and cameramen were allowed to cover only a few aspects prior to the dinner.

The heads of state convened in a room adjacent to the dining room. After posing for the photographers and talking for a few minutes, they proceded to the dining room. The topics discussed by the government leaders will not be disclosed until Thursday, 7 August, at the end of the Ixtapa summit on peace and disarmament.

Calls for Peace

FL062230 Mexico City NOTIMEX in Spanish 2136 GMT 6 Aug 86

[By Gregorio Alpizar, special correspondent]

[Excerpts] Ixtapa, 6 Aug (NOTIMEX) -- Upon inaugurating the second peace and disarmament meeting this afternoon, Mexican President Miguel de la Madrid called on men of good faith to join the Group of Six in the battle to reclaim peace for humanity.

Speaking to heads of state from Argentina, Tanzania, Greece, India, and Sweden, De la Madrid said: We do not have military strength, and we are not outstanding world powers. Our weapons are reason and the will to live. [passage omitted]

The right to life is stressed at this meeting, said the Mexican president. He clarified that they do not aspire to present original and novel theories. Our aim is to be spokesmen for what all of humanity wishes: to avoid destruction and war and to assure life and the beauty of humanity which has been so creative, said De la Madrid. [passage omitted]

After listening to the dangers presented by the arms race and the consequences of a nuclear holocaust, De la Madrid said the hazards described at the meeting will be treated as the concerns of men, and we will seek to settle them in a universal awareness that calls for peace.

SEPULVEDA ADDRESSES MEETING ON PEACE, DISARMAMENT

FL041430 Mexico City NOTIMEX in Spanish 2030 GMT 2 Aug 86

[Excerpt] Mexico City, 2 Aug (NOTIMEX) — Non-nuclear countries do not pretend to impose negotiating terms on the superpowers, but we have assumed the responsibility of defending the right to life and being heard in a process that affects our security and possibilities of our development, Mexican Foreign Secretary Bernardo Sepulveda Amor warned. In his opening remarks at a meeting of diverse international personalities on the initiative of peace and disarmament, being held here in the National Museum of Anthropology and History, the Foreign Secretary said this meeting, like the one the Group of Six will hold in Ixtapa-Zihuatanejo, seeks to strengthen the universal awareness of the dangers inherent in the nuclear age and the viability of disarmament to achieve a genuine and real peace. He said the Group of Six meeting has the same goal. The foreign secretary wished success to the participants in their deliberations during the meeting which, he said, will be followed with great interest by all those who want an international society free of the threat of nuclear war. He announced that the minutes of the meeting will be made available to the leaders of the Group of Six, who will undoubtedly find them an incentive for the development of their initiative. [passage omitted]

ELECTORAL BOARD TO REVIEW CHIHUAHUA ELECTIONS

PA060142 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 5 Aug 86

[Text] The Chihuahua Electoral Board, which is headed by Deputy Ruben Ortega, has committed itself to carry out an in-depth review of the results of the past elections. The following is a report by special envoy Abel Magana:

[Begin recording] The Chihuahua Electoral Board is politically open; therefore, it will accept private evidence provided by the parties even though this will not be considered absolute proof. This evidence will help broaden the vision of the deputies who are reviewing the elections and allow them to rule more fairly and in strict accordance with the law. Deputy Ruben Ortega, head of the Chihuahua Electoral Board, said that the board will do its best. He hopes that the people and political parties will be satisfied with the work being done by the board. Ortega added that the board does not have a great deal of documented evidence. The PAN [National Action Party] has contested the results of the elections. PAN claims that the elections were fraudulent, athough it has presented no specific proof to back this claim. [end recording]

DURAZO TO FACE ACCUSER, SUTHOR OF EXPOSE

WA051500 Mexico City EXCELSIOR in Spanish 17 Jul 86 pp 5-A, 38-A

[Excerpt] The most awaited of all the confrontation of witness proceedings between former Federal District Police Chief Arturo Durazo and his accusers will take place on 20 August, when Durazo faces his former lieutenant, Jose Gonzalez Gonzalez, the individual who has made the greatest number of and most serious charges against the accused party, in his book, "Lo Negro del Negro Durazo" [The Dark Side of Blackie Durazo].

This confrontation of witnesses, which is in effect a showdown, was agreed to yesterday by the 26th penal court judge who is trying the former police official.

COMMUNIQUE DENIES DUVALIER REQUESTED ASYLUM

PA061737 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Aug 86 pp A-1, A-10

[Communique issued by the Foreign Ministry on 5 August]

[Text] The Foreign Relations Ministry hereby reports to all citizens and to the local and international media that the report in the French weekly LE POINT that former Haitian President Jean-Claude Duvalier has requested asylum in Panama or that the asylum has been granted is completely false. The information is groundless and inappropriate. THerefore, such an assumption is rejected by the Panamanian Government. In this regard, His Excellency Gaspar Wittgreen, Panamanian ambassador to France, sent an emphatic protest note to LE POINT pointing out that the article is based on rumors and speculations of an alleged political asylum. In his note, Ambassador Wittgreem also denies that he has had any communication, directly or indirectly, personally or officially, with people close to former President Duvalier to negotiate the possibility of political asylum in the Republic of Panama. Therefore, the Panamanian Foreign Ministry categorically rejects such lies and misinformation.

PRD MARCH IN RESPONSE TO PANAMA'S 'ENEMIES'

PA061632 Panama City MATUTINO in Spanish 6 Aug 86 pp 1-A, 8-A

[By Justa Guerrero de Henriquez]

[Text] The great march on 12 August, organized by the Revolutionary Democratic Party [PRD] with the participation of all members of UNADE [National Democratic Union], will be a people's and military journey in response to Panama's enemies, who have infiltrated inside and outside the U.S. Government to evade the compliance of the Torrijos-Carter Treaties. This remark was made by the PRD President Romulo Escobar Bethancourt to the various representatives of the commissions in charge of the coordination of the event, which will conclude with a meeting at 5th of May Plaza.

The organization committee is headed by Dr Hirisnel Sucre and includes Panama City Mayor Jilma Noriega de Jurado, Gerardo Gonzalez, Ana Villa de Flores, Legislator Rigoberto Paredes, Reinaldo Rivera, and Cesar Rodriguez Maylin, all members of the PRD's national executive committee.

Dr Escobar Bethancourt said the event will begin with a military parade on National Avenue and end on A Avenue. The event coincides with the foundation of Battalion 2000 and with the anniversary of the promotion of General Manuel Antonio Noriega to the commandancy of the Defense Force of Panama. The president of the organization committee, Hirisnel Sucre, said there will be two speakers at this event, yet to be announced, who will talk on subjects related to this great event to reaffirm the will of the Panamanian people who support sovereignty, national jurisdiction, and an end to the mockery of Panama and the slanders and lies against the fatherland.

COSTA RICA

FOREIGN MINISTER SIGNS CONVENTION ON TORTURE

PA062351 San Jose LA REPUBLICA in Spanish 1 Aug 86 p 6

[Excerpts] Foreign Minister Rodrigo Madrigal Nieto yesterday signed the "Inter-American Convention for the Prevention and Sanction of Torture" at OAS headquarters in Washington. The event was attended by OAS Secretary General Joao Clemente Baena Soares. [passage omitted]

Foreign Minister Rodrigo Madrigal Nieto signed the document approved on 9 December at the conclusion of the 15th OAS Assembly held in Cartagena, Colombia. This document had already been signed by Argentina, Bolivia, Brazil, Colombia, Ecuador, Haiti, Honduras, Mexico, Panama, Peru, the Dominican Republic, Uruguay, and Venezuela. However, the convention has not yet been implemented. It was established that the convention would be implemented 30 days after the second document of ratification had been presented. However, this has not been done yet.

Foreign Minister Madrigal Nieto said that yesterday's signing of the convention is subject to approval by the Costa Rican Assembly. Madrigal Nieto arrived in Washington early last week. He has met with U.S. Government officials to discuss bilateral problems and the Central American situation. Madrigal Nieto also spoke before the OAS Permanent Council on Wednesday. [passage omitted]

BRIEFS

60,000 MARIJUANA PLANTS DISCOVERED -- More than 60,000 marijuana plants were discovered in the past few hours, mainly in the southern part of the country. Among the plants discovered were 4,000 of hybrid known as Blue Flame, presumably developed by Mexican hoodlum Caro Quintero and grown in our country. [Summary] [San Jose Radio Reloj in Spanish 1200 GMT 5 Aug 86 PA]

MORE MARIJUANA SEIZED -- The Security Ministry's Narcotics Directorate has seized approximately 600,000 marijuana plants in the past 6 months. Narcotics Director Colonel Luis Barrantes reported this and referred to the operations that are carried out in the area. He said that the problem of marijuana plantations in the region is very serious and this requires strict control in Limon Province. [Summary] [San Jose Radio Reloj in Spanish 1200 GMT 6 Aug 86 PA]

GUATEMALA

CONGRESS RECOMMENDS BREAKING TIES WITH SOUTH AFRICA

PA061556 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 6 Aug 86

[Text] Today, in a plenary meeting, the Congress approved a resolution recommending breaking the diplomatic relations with South Africa. This was proposed by Rodolfo Maldonado, Edmond Mulet, and Enrique De Leon Asturias, members of the Congress' Foreign Relations Commission, who recently returned from a tour of several European countries.

The Foreign Ministry will take the corresponding steps. The suspension of diplomatic or consular relations with the South African segregationist government was approved because of the discrimination policy of the Pieter Botha regime," which limits all civil rights of the black population. Other countries in the world have imposed commercial sanctions on South Africa, and some others are also in the process of doing it at the diplomatic level in the face of the harshness of the apartheid policy, which has resulted in the killing of thousands of blacks seeking a vindication of their violated rights.

CEREZO DENIES NEUTRALITY ENDANGERED BY U.S.

PA070303 Panama City ACAN in Spanish 0112 GMT 7 Aug 86

[Text] Guatemala, 6 Aug (ACAN-EFE) -- President Vinicio Cerezo said today that alleged U.S. pressures on Guatemala to force the country to abandon its "active neutrality" are "rumors." The Guatemalan president said that he asked Ronald Reagan's administration directly if this rumor were true, and the United States "officially denied it."

The U.S. weekly magazine NEWSWEEK reported in its latest edition that Cerezo was " "annoyed by the alleged U.S. efforts to end his country's neutrality regarding the conflict with Nicaragua." Cerezo stressed that in publishing the interview he granted the U.S. weekly, the magazine failed to report that the alleged pressures "were a rumor."

"Alberto Martinez Piedra, the U.S. ambassador to Guatemala, and special envoy Phillip Habib told me that there was no pressure and that they respect Guatemala's position, for which I thanked them," President Cerezo said. The president added: "We are going to maintain the position of neutrality in the Central American conflict, as long as it is advantageous to national interests." According to the president's explanations," the rumor regarding U.S. pressures to make his government openly support the anti-Sandinists in the Central American donflict emerged when he mentioned that "some U.S. military men had insinuated that the neutrality policy could undermine the improvement of U.S. relations with Guatemala." Nevertheless, the president recalled that during the interview for the U.S. magazine he said: "The military respects our position."

According to NEWSWEEK, "Cerezo is upset because 7 months after becoming the first civilian Guatemalan president in decades, he has not been invited to a meeting with President Ronald Reagan." Regarding the alleged relationship that exists between the U.S. ambassador and Guatemalan industrialists who finance the anti-Sandinists, the president said: "It is a rumor that goes beyond concrete facts."

"I know the U.S. ambassador," the president added, "and I know that he respects the Guatemalan Government and our civilian administration." The president said: "In any case, to seek aid for the contras in Guatemala would be illegal, would breach our neutrality, and it would not be allowed."

"They (the contras) can hold meetings, but we cannot speak of aid from Guatemala unless it is provided privately. However, this aid could not be officially accepted," President Cerezo said.

Two weeks ago the top leaders of the Nicaraguan Opposition Unity (UNO), met in the Guatemalan capital. On 25 June the anti-Sandinist group received approval for $100 million in aid from the U.S. Congress.

CEREZO ASKS SANDINISTS TO RESPECT RELIGION

PA070218 Panama City ACAN in Spanish 0142 GMT 7 Aug 86

[Text] Guatemala City, 6 Aug (ACAN-EFE) — President Vinicio Cerezo announced today that he sent a letter to Nicaraguan President Daniel Ortega asking him, "to promote pluralism and to respect religious differences and the people's beliefs."

President Cerezo accepted the Guatemalan bishops' request to act as mediator in the conflict between the Sandinist government and the church.

President Cerezo said: "I sent an official letter to President Ortega, expressing to him our concern over the area problems and also letting him know that we consider the promotion of pluralism and respect for the church to be fundamental for peace in the region." The letter was sent yesterday.

President Cerezo said that in the next meeting of Central American vice presidents, slated for 13 August in Guatemala City, "we will let Vice President Sergio Ramirez Mercado know about our concern over these problems."

Guatemala claims to advocate an "active neutrality" regarding the Central American problems. About his intervention in the Nicaraguan problem [as received] and if he will break the active neutrality he advocates, President Cerezo said: "We maintain that neutrality has both political and military aspects."

"In the same letter I told President Ortega that we respect the decisions of the Nicaraguan people regarding their destiny, but that neutrality is not ideological," President Cerezo indicated.

He added that the Guatemalan Government is in favor of democracy and pluralism, "and we have been working to see that it is maintained everywhere in the world."

"We have struggled in Guatemala to make it possible, and we believe we can express our interest in seeing that other countries have democracies," President Cerezo said.

The Guatemalan bishops held a secret meeting with President Cerezo, at Santo Tomas, the presidential estate, 50 km south of Guatemala City, during which they asked him to mediate with the Sandinist regime. This took place after the expulsion from Nicaragua of Msgr Pablo Antonio Vega and Msgr Bismarck Carballo, the assistant to the archbishop of Managua, Msgr Miguel Obando y Bravo. Monsignor Vega is in the Vatican, and Carballo is in the United States.

HONDURAS

PRESIDENT AZCONA EXPLAINS TREATY WITH COLOMBIA

PA061310 Tegicigalpa Voz de Honduras Network in Spanish 1735 GMT 5 Aug 86

[Text] We will listen to President Jose Azcona Hoyo's views regarding the international treaty signed with the Colombian Government. These are President Azcona's remarks at the presidential palace.

[Begin recording] [Azcona] The executive branch has followed this process responsibly.

We have met with the foreign secretary and his advisers. When an accord with Colombia was reached, a document was signed, not by the presidents, but by Foreign Secretary Carlos Lopez Contreras and Colombian Foreign Minister Augusto Ramirez Ocampo. The document clearly sets forth that this treaty must be endorsed by the congress of each of the two countries. No improvisation has occurred, and no law has been violated. At this moment, the foreign secretary is meeting with the National Congress' Foreign Relations Commission and the factions' leaders and their advisers to explain to them the process whereby the treaty was signed. During the afternoon and in a plenary session, the foreign secretary will explain to the Naitonal Congress how and why this treaty was signed.

Many comments have been made about this with very little foundation. I would not have backed an act by the foreign secretary unless this act was fully backed by the foreign secretary's advisors who are very familiar with the situation. Hernandez Alcerro, lawyer Leonardo Balladares, and [name indistinct] are involved in this matter.

[Reporter] Mr President, do you mean that the government has not (?ceded) territory through this treaty?

[Azcona] Nobody has ceded anything. [Passage indistinct]. When two people have similar claims on something, there are two approaches: a lawsuit or a direct settlement. They also said that those were only three small pieces of land, three or four rocks, and these on shoals only. They further said that the Rosalinda shoals belonged to them. As a result of this, the sides gradually got closer to each other. Finally, they reached an agreement, and then a treaty was signed. There are only two ways of settling disagreements, either directly, whereby the two sides that have similar claims over something reach an agreement over specific points and then sign a treaty, or through a suit where a judge determines the rights of each side. In this case, instead of extending this problem and going to the The Hague International Court of Justice, as we did in the case of El Salvador, we reached a direct settlement to resolve these border issues. We claimed all of Serranilla shoals as ours. The Colombians also say that all of the Serranilla shoals belonged to them, and also those of Rosalinda.

You see, everybody claims ownership over something. If an agreement is reached, a treaty is signed. Otherwise, the difference is taken to the The Hague International Court of Justice and laid to rest forever.

[Reporter] Mr President, [words indistinct] will the government order an investigation of the terrorist attack perpetrated against journalist Juan Arevalo, because this attack has also been on the press and liberties in Honduras?

[Azcona] I have spoken to the commander in chief of the Honduran Armed Forces. In fact, I think it would not have been necessary for me to speak with him about this. I understand the public security forces have already undertaken an investigation of this attack. This is something that must be done. Even if I were not the president of the Republic, I would be very much interested in this. I have spoken to the commander in chief. They agreed and took the necessary steps to try to clarify this attack.

[Reporter] Will vigilance be improved considering that the people fear such attacks, two of which have occurred lately, Mr President?

[Azcona] Fortunately, the two attacks have not caused any casualties as has happened in other countries. There have been attacks everywhere. [passage indistinct] [end recording]

TRADE RELATIONS WITH NICARAGUA TO BE RESUMED

PA062346 Tegucigalpa EL HERALDO in Spanish 5 Aug 86 p 4

[Text] In the next few days, commercial relations with Nicaragua will be resumed, Economy and Commerce Minister Reginaldo Panting has said. This is happening after this neighboring country requested some resin from Honduras. Minister Panting said the market will be opened, but first Nicaragua should officially recognize its foreign debt to Honduras.

Panting expressed optimism about Nicaragua's recognition of its overdue debt, and added that the trade to be carried out will be based on exchange rates already established to avoid any further difficulties. He noted that the Nicaraguan debt is $114 million lempiras and the Nicaraguan Government will have to take care of it. Otherwise, it will be useless to sign documents that will have no value in the future.

The Economy Minister said that with the renewal of these negotiations, he expects that the political relations will also grow. He added that the main task of this ministry is to sell what Honduras produces and to increase trade relations with all countries, including Nicaragua.

ARMY SPOKESMAN BLAMES NICARAGUA FOR INCIDENTS

PA061710 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 6 Aug 86

[Text] According to the Armed Forces, Nicaragua has plans to destabilize the government. The Armed Forces are deeply concerned over recent incidents in Tegucigalpa, which have disturbed the population's tranquillity.

Official Army spokesman Major Jorge Arguello added that this concern has led to intensive work aimed at clarifying these anomalies and reassuring the citizens who want to live in peace and to maintain the peacefulness we have enjoyed. Maj Arguello said: That harmony will be maintained at any cost, even if we must risk our lives to prevent disorders.

He noted that these incidents are part of a strategy by which the current Nicaraguan regime might try to unleash a series of actions against Honduras aimed at disrupting our peace and discrediting our country before the international community. These actions include supporting and revitalizing subversive groups in neighboring countries and within our country, in an attempt to destabilize the established government, he added.

However, the Armed Forces are ready to stop any attempt to provoke chaos in the nation, Maj Arguello concluded.

REFUGEES REPORT CONTRA PRESENCE IN EL PARAISO

PA060423 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 5 Aug 86

[Excerpts] Refugees have charged that 10,000 contras are occupying a large portion of territory in El Paraiso Department, calling it New Nicaragua. Approximately 10,000 Nicaraguan counterrevolutionaries are operating in the eastern Department of El Paraiso. This vast area extends 25 km between Capire and Arenales, and the rebels call it New Nicaragua, persons displaced from the area charged yesterday.

This vast expanse of land, located approximately 220 km from Tegucigalpa, has been mostly uninhabited since the mass raids the EPS carried out in April, when it battled with Honduran and counterrevolutionary forces. Some 5,000 to 6,000 people refuse to return to their homes and townships, having charged approximately 3 weeks ago that there is a pre-war climate in the area because of contras' presence. One hundred and fifty have settled in Danli, the main city in El Paraiso.

Some of the refugees said yesterday in Danli that the situation continues to be critical and that the number of contras in Honduran territory has increased to between 10,000 and 12,000. A few months ago, leaders of the coffee growers in El Paraiso reported that approximately 6,000 heavily armed contras were operating in the area, blaming them and the constant Sandinist raids for harming their production and causing heavy losses.

The refugees charged today that passage through the area continues to be restricted to Hondurans, but in reality, the only ones who can pass through it are the contras, who are duly supplied with weapons of all calibers. According to the sources, the so-called New Nicaragua area includes the communities of Capire, Villanueva de (Yamales), (Yamales), and Arenales, which are located 12-15 km from the Nicaraguan border. A sign reading New Nicaragua appeared in the vicinity of a large contra camp in (Yamales) but in April a deputy mayor, a rural authority, and residents of the area replaced it with a Honduran flag, the sources reported today.

The town of Villanueva de (Yamales), 10 km from Capire and 5 km from (Yamales), has been uninhabited since Easter, when its 400 residents abandoned it.

In their complaints of 3 weeks ago, which were reported by the local press, the refugees said that they are alarmed over the serious developments that may result from the $100 million approved for the Nicaraguan contras. People from Arenales, (Ranguinales), (Taparti), Banco Grande, and El Amparo, located in the same area, have said that war preparations are increasing every day in the contra camps. Our situation is terrible, they added, because our old places of work have been turned into battle areas by foreign forces that have virtually taken over Honduran territory. We are desperate because our lands remain occupied by an army that is growing every day, they said. [passage omitted]

On 15 July, Government House reacted with displeasure to press reports referring to an exodus of the inhabitants of that area. It claimed that the number was not as high as reported but admitted that a pre-war climate exists there. The government denies the possibility that there are displaced persons, presumably from the area bordering on Nicaragua, as a result of the military situation in that area, a Government House communique noted.

NICARAGUA

PRESIDENT ORTEGA DEDICATES CHINANDEGA HOSPITAL

PA060431 Managua Domestic Service in Spanish 2328 GMT 5 Aug 86

[Speech given by President Daniel Ortega at inauguration ceremony of a health center in Tonvaile, Chinandega Department, on 5 August -- recorded]

[Text] We are holding this beautiful event in one of Nicaragua's hottest areas. At 1250, Companero (?Trinidad) said that nobody was suffering from sunstroke here. Is anybody suffering from sunstroke here? [Crowd shouts: No!] Yet there are some who are suffering from sunstroke at present.

Do you know who is suffering from sunstroke at this moment?

[Crowd shouts: Yes!] The counterrevolutionaries. The counterrevolutionaries are suffering from sunstroke because another hospital and health center has been erected here in Nicaragua. The U.S. Government is suffering from sunstroke because that government does not want health centers and hospitals to be built in Nicaragua. The counterrevolutionaries have destroyed 31 health centers during these years. Thirty-five doctors and nurses have fallen victim to the terrorism of the U.S. Government mercenaries. Thirty-five persons, including doctors and nurses, have been murdered, wounded, or kidnapped.

Thirty-one health centers destroyed. Those who destroy health centers in Nicaragua, those who murder doctors in Nicaragua, as well as nurses and health technicians, are surely suffering from sunstroke today because we have opened a new health center in Nicaragua. [applause] We have just concluded a tour of the United States. We visited the United Nations and later toured several U.S. cities, where we came in direct contact with the U.S. people. We got in touch with U.S. people in New York. We also met with the people in Denver. In Chicago, we again met with the people. Not only did we meet with solidarity groups, but also with U.S. citizens who do not identify with us and who were also on the streets. While walking through the streets of New York, Denver, or Chicago, we met with the U.S. people's sympathy and solidarity.

What does this mean? It means that the American people do not want to be at war with Nicaragua. What does it mean? It means that the American people do not want the mercenaries, the contras, to continue receiving money, arms, and military advice so that they can destroy health centers and schools, so that they can murder children and peasants. This is not what the American people want.

The Americans have demonstrated that they do not want their troops to invade Nicaragua. They have demonstrated that the American people want peace. They want peace, not war. Therefore, they are against the U.S. Government's policies toward Nicaragua. The American people have demonstrated their solidarity in many ways. In the United States, just as I am protesting at this time, the Americans are protesting against the approval of the $100 million, against the approval to send more arms, against the approval to send more military advisers to Central America. This is being discussed and will be discussed in the U.S. Senate. The Americans are protesting on the steps of the U.S. Congress, and they are being arrested for protesting against those unjust policies.

The Americans have also come to Nicaragua to offer their solidarity. When we toured the installations with Mother Maritza, Sister Maritza, she explained that all of the instruments here to help the patients have come as donations from the United States. In other words, the American people are giving this equipment to the Nicaraguan people for a social project, while the U.S. Government is giving the contras money and arms to destroy social projects such as this.

Sister Maritza is also a representative of solidarity and love toward the Nicaraguan people. The majority of the projects carried out to complete this health center for mothers and infants was carried out by nuns, who in a Christian spirit have worked for the peasants, for the humble Nicaraguan people. This center will serve the rural population in (?El Viejo) and the people of [name indistinct]. This is the first center of its type in the country. We acknowledge that this center is the result of the nuns' efforts, as they have (?moved) the community and have joined the community to complete this project. They have also attracted more international cooperation, both material and human. The sister also explained that one Spanish doctor, one Austrian doctor, and one German technician will remain here to work.

Meanwhile, the mercenaries use the money and arms they receive from the U.S. Government to murder international volunteers as in the case of the recently murdered German, Swiss, and French volunteers who helped the peasants construct homes, helped the peasants get water. They were murdered, and even though only a few days have passed, we have three women here from faraway countries who have come to take the places of the murdered volunteers. This demonstrates to the Nicaraguan revolution that the efforts our people have made to achieve peace and work in peace have the support and solidarity of the countries of the world. The fact that this project has been directed, encouraged, and completed by nuns also demonstrates the respect that the Nicaraguan Government, the FSLN, has for religion.

That is why we have come up with the slogan: There is no difference between Christianity and the revolution. There are dozens of clergymen in Nicaraguan hospitals. You can find them in health centers and in hospitals helping the Nicaraguan people. Here we have talked to our Health Minister Dora Maria Tellez, and we have asked her to authorize Sister Maritza to administer this health center.

We are sure that you will take good care of this health center. You have already organized the protection of the health center. We have to take care of it, because unfortunately health centers are targets of the mercenary forces. Therefore, we must protect this health center. We have to protect it from any terrorist acts or sabotage, because we all know that those people are determined to destroy what we build. They want to demoralize the people by destroying schools and health centers, but they do not realize that the people's morale is Sandino's morale. Therefore it is an indestructible morale, because if they destroy 10 health centers, the people will build 20 health centers. If they destroy 50 health centers, the people will build 100 health centers. [applause]

They will never be able to defeat this revolution, because it is a peasants' revolution, a workers' revolution, a Nicaraguan people's revolution; it is a revolution made for justice, a poor people's revolution, a revolution in which Nicaraguan Christians participate in large numbers; it is an authentic revolution, a Latin American revolution, and it is a indestructible revolution. Free fatherland! [Crowd replies: Or death!]

ORTEGA URGES REGION TO OPPOSE U.S. POLICY

PA070407 Paris AFP in Spanish 0252 GMT 7 Aug 86

[Excerpt] Managua, 6 Aug (AFP) -- Nicaraguan President Daniel Ortega today called on all the Central American governments to "oppose" the Reagan administration's policy and prevent "a total war in the region."

"The Central American governments must oppose the current U.S. policy, and they must have enough strength and determination to take this step because the only other alternative is war," Ortega said during an interview aired by La Voz de Nicaragua.

Ortega expressed his hopes that the Central American nations will reach a peace agreement within the framework of the efforts of the Contadora Group, formed by Mexico, Venezuela, Colombia, and Panama. For the past 3 years, Contadora has attempted to achieve a negotiated solution to the regional crisis.

"All of us are, in one way or another, subject to U.S. pressures, but we must tell the United States that we cannot follow them along that path because that path only leads to a precipice," the Nicaraguan president added.

Ortega admitted that there have been some difficulties in reaching a regional understanding and added: "There is no worse effort than the one that is not made, and we feel obliged to do our part for Central America to conclude its negotiations within Contadora."

President Ortega said that the $100 million in aid to the anti-Sandinist guerrillas and the reinforcement of the U.S. military presence in the area "have Central America on the verge of a total war."

Ortega reiterated that Nicaragua is willing to sign bilateral agreements with Honduras and Costa Rica to neutralize and demilitarize the border areas, where more than 10,000 FDN guerrillas are currently operating. [passage omitted]

ORTEGA SENDS LETTER TO GROUP OF 6 MEETING

PA070240 Managua Domestic Service in Spanish 2336 GMT 6 Aug 86

[Telephone report by Angela Saballos, Foreign Ministry spokeswoman -- live]

[Text] We now wish to report on a note sent by President Daniel Ortega to the governments and heads of state of Argentina, Greece, India, Mexico, the United Republic of Tanzania, and Sweden.

The note addresses important issues on disarmament and international peace being discussed at a meeting involving those heads of state. President Daniel Ortega sent them greetings in a letter in which he points out that the Nicaraguan Government is convinced that the valuable initiative of the Group of Six will help achieve detente in international relations and establish a just and lasting world peace.

President Ortega added that at a time when humanity is facing increasing risks of [words indistinct] arms race, especially when it comes to nuclear arms and other mass [word indistinct], the efforts to stop those destruction attempts gain (?special) importance.

Among the centers of international tension, tentral America is confronting a situation that requires special and (?prompt) attention. The crises affecting our countries, which have profound economic and social roots, are worsened by the policy of force, threats and intervention advocated by the U.S. Government.

With absolute fidelity to its inclination toward peace and its determination to contribute to achieving a political and negotiated solution to the Central American crisis, the government and people of Nicaragua have found in the diplomatic effort of the Contadora Group and its Support Group an expression of all of Latin America in favor of the use of peaceful means to solve existing conflicts.

In this spirit, Nicaragua has always offered its firm and decisive support to the peace process promoted by Mexico, Panama, Colombia, and Venezuela with the help of the Lima Group.

In its search for this much-desired peaceful solution, Nicaragua has been presenting various peace and dialogue proposals [words indistinct] with Central American countries and the U.S. Government, as well as through the negotiating effort of the Contadora Group.

Draft treaties, declarations, and agreements proposed by Nicaragua within the Contadora Group during October and December 1983, as well as its approval of the Contadora Document on 7 September 1984, and its constructive and mature reply to the views presented by the Contadora and Support Groups during the joint meeting of foreign ministers of 6 June 1986, are examples that illustrate the willingness to hold a dialogue and achieve a conciliation that has always guided the Nicaraguan Government.

In keeping with this inclination toward peace, Nicaragua resorted to the International Court of Justice [ICJ] to sue the U.S. Government for its activities in violation of international law. That historical ruling handed down on 27 June 1986 by that high world tribunal, demanded that the U.S. Government end that policy of force threats, and intervention against Nicaragua.

Despite the court ruling, the U.S. Administration has reinforced its gigantic military presence in the area and is thus opening the doors to a generalized conflict. The recent approval of $100 million for the mercenary forces by the U.S. Government's House of Representatives, which involves authorization for the direct participation of U.S. military advisers in the war against Nicaragua and the supply of all kinds of weapons are leading Latin America to the brink of a full-scale war.

Aware of the main responsibility of the UN Security Council to maintain peace and international security, Nicaragua resorted to that forum to strengthen international legal order and enforce respect for the ICJ and its rulings. Despite the U.S. veto, the resolution submitted for the approval of the Security Council, which made an urgent call to fully abide by the ruling handed down on 27 June 1986 by the ICJ in the case presented by Nicaragua, received the support of a majority of council members. This is clear evidence of the support of the community of nations for the principle of using peaceful solutions in controversies in keeping with international law and the banning of force and threats in international relations.

As a new expression of Nicaragua's determination to find formulas to hold dialogues and reach understanding leading to the establishment of a just and dignified peace in the area, on 2 August 1986 President Ortega met in the United States with the Reverend Jesse Jackson and other members of Operation PUSH [People United to Serve Humanity], a movement of U.S. citizens, and revealed an unconditional peace initiative known as the Chicago Proposal.

Nicaragua hopes that this peace proposal will be well-received by the other Central American countries and the U.S. Government. In addition, [words indistinct] of the Contadora and Support Groups will find in this initiative a new driving force for their negotiating efforts in favor of the urgent peace and (?security) aspirations of the Central American peoples.

EDITORIAL LAUDS 'CHICAGO PROPOSAL' INITIATIVE

PA061503 Managua BARRICADA in Spanish 5 Aug 86 p 3

[Editorial: "Our Inexhaustible Desire for Peace"]

[Text] The dynamism of Nicaragua's foreign policy as well as its creativity when it comes to initiatives to promote peace negotiations have taught us that just causes must be persued with candor and without subterfuges or limited frameworks. Nicaragua acts in all respects in the opposite direction of imperialism, which seeks confrontation, solutions through force, and strong-willed impositions against the sovereignty of nations.

Through its president, Daniel Ortega, Nicaragua has submitted -- in an eight-point proposal already known as the "Chicago Proposal" -- a summarized version of its peace initiatives enriched with new negotiation elements that more fully meet peace aspirations not regarded as essential in previous offers. For instance, the invitation to Reagan to visit our country or the constructive dialogue with the church are consistent with the resumption of the U.S.-Nicaraguan dialogue and the signing of the peace document according to Contadora's efforts and its latest proposal, which was boycotted by they Yankee government and its Central American allies.

These objectives, which have long been sought by Contadora, blend perfectly with the demand for compliance with the ruling of the International Court of Justice and the resolution of the UN Security Coucil, both of which are specialized UN bodies. This coherence between permanent efforts and new, helpful initiatives as well as steadfastness are the main characteristics of our foreign policy. This coherence and steadfastness combine with the legality, reasonableness, and justice of our cause to further enhance our prestige in the world.

From the prestige of the legal and political support for our positions in view of the powerful and dangerous imperialist opponent comes a narrow margin covered increasingly more successfully by our leaders' visits to the podiums of the world's most well-known international organizations.

In a very short period of time, Nicaragua lavished initiatives on the world and U.S. opinion. It offered its good will for a political negotiation. It put out its hand and invited the main opponent of the revolution to visit Nicaragua, thus proving that its defensive position of national sovereignty is unfaltering, but also flexible. That is what the one who trusts justice and struggles for it under any circumstances, without fear, can do.

What will its opponents' attitude be?

DEMONSTRATIONS FORM OUTSIDE LA PRENSA OFFICE

PA062219 Managua Domestic Service in Spanish 2027 GMT 6 Aug 86

[Text] [Announcer] It is now 1427, and our people want to know what is actually taking place inside and outside of the newspaper LA PRENSA's offices. How and why are these provocations taking place in Managua? What is happening, Alfonso Amela?

[Begin relay from LA PRENSA offices in Managua] [Amela] With pleasure, Luis. In fact, thousands and thousands of textile workers, employees from companies located on the northern highway, and students from institutes close to this important street in Managua are now in front of the building where LA PRENSA, Inc. is located, to reject once more the provocative attitude that a group of CTN [Nicaraguan Workers' Confederation] activists and the newspaper's workers have been adopting since this morning. The people have protested, as we said, and their labor leaders have stated that a dangerous game is being played by those who are currently inside the LA PRENSA offices behind closed doors. The workers and people are once more demanding the closure or confiscation of this newspaper, which has repeatedly violated the revolutionary government's laws.

We repeat, workers from factories and companies located on the northern highway are now in front of LA PRENSA, demanding that the revolutionary government definitely close this newspaper, whose owners have repeatedly violated revolutionary laws. A group of LA PRENSA workers and CTN activists are inside LA PRENSA, and they have been adopting provocative attitudes against our people and the revolutionary government.

We will continue to discuss this during our program, given the situation on the northern highway. Thousands and thousands of people have been demonstrating against the newspaper's owners and CTN activists.

[Announcer] Alfonso, Alfonso Amela!

[Amela] Yes, Luis?

[Announcer] I want to ask you: How long have the CTN members been there? Likewise, are LA PRENSA's owners there? It is curious that 48 or 72 hours after the comrade president issued the Chicago Proposal -- in which he refers to the newspaper LA PRENSA with an open attitude, an attitude which advocates a dialogue, in an understanding attitude -- this provocation has arisen at the newspaper LA PRENSA. How long has this been going on, Alfonso?

[Amela] Yes, of course, Luis. We have information that some members of the Social Christian Party came at approximately 1000 and tried to hold an event right here, in front of LA PRENSA. We have information that Violeta de Chamorro, co-owner of LA PRENSA, also came. CTN activists and some of the newspaper's workers have been in front of the building since approximately 1000. They later went inside and at approximately 1300, the people's power was evident when, as we have reported, thousands and thousands of workers gathered in front of the LA PRENSA offices. In other words, the provocation has been under way since 1000 or 1100; nevertheless, at approximately at 1300 the reaction of our people -- meaning the workers, textile workers, students, and people in general from the northern highway -- was obvious. They have demanded that our revolutionary government adopt stricter measures against this type of provocation. They have also demanded the definite closure of LA PRENSA. [end relay]

[Announcer] All right, then we will remain attentive to any further information. We are concerned about what will happened because the divine mobs of the revolution have gathered there.

Demonstrator Stabbed

PA062220 Managua Domestic Service in Spanish 2033 GMT 6 Aug 86

[Text] We learned a few minutes ago that a regrettable and at the same time reprehensible incident has taken place. It was reported a few minutes ago that a person has been wounded as a result of a provocation by activists of the CTN and workers of the newspaper LA PRENSA.

As far as we know, an unidentified person who was inside the premises of the newspaper LA PRENSA took out a knife and stabbed one of the persons demonstrating in front of LA PRENSA to show their repudiation of these acts of provocation. We do not know how serious the wounds received by this person are. However, as we said, this is a very regrettable and reprehensible action.

The wounded person was rapidly taken to a hospital, which apparently is the Manolo Morales Hospital. We repeat: We do not know the actual seriousness of the wounds However, the fact that one of these provocateurs took out a knife and stabbed a representative of our people, who are furious over a further provocation by the CTN and LA PRENSA workers, is a hateful action that further infuriates our people.

COMMANDER CUADRA ON MILITARY ACTIVITIES

PA051336 Managua BARRICADA in Spanish 2 Aug 86 p 5

[Text] Brigadier Commander Joaquin Cuadra Lacayo, deputy defense minister of Nicaragua, has stated that the military improvement the mercenary forces will achieve in tactical terms owing to the arrival of the $100 million will not alter the course of the strategic defeat of the counterrevolution.

During an extensive explanation broadcast on SSTV [Sistema Sandinista de Television] on Friday, the chief of the EPS General Staff said that during the first half of this year major steps have been taken toward that end with the help of relentless actions by the people's troops.

The mercenary forces have been dealt harsh blows and have been kept from moving into large land areas and fulfilling their political and military plans, he said. Cuadra noted that the EPS had succeeded in hitting and pushing the forces of the so-called "Jorge Salazar" commando unit, which had tried to conduct strategic operations in Boaco and Chontales (Region 5), into militarily disadvantageous terrain. At the same time, successful operations were conducted in Military Regions 1, 4, and 7, resulting in the "systematic attrition" of the counterrevolutionaries.

Cuadra reported that from January to July 2,745 contras were killed and 300 captured during clashes. He explained that in addition to this, the contras have lost their ability to replace their men, despite their forced recruitment operations.

In this regard, he said that the contras violently kidnapped 259 people, capturing them even in refugee camps in Honduras, which is a very poor source of men fit for combat, as most people there are women, elderly, and children.

He noted: In addition to this we have the number of people who have been deserting their ranks in recent months. They are "the kidnapped people." In other words, there is still a very large gap between the number of contras killed and contras' ability to recruit people.

"The number of contras is declining. There are fewer and fewer contras, and with time they are losing ground and the possibility of fulfilling their political and military plans," Commander Cuadra stressed.

He recalled that although in 1984 and 1985 the mercenaries had maintained their capacity to replace their forces -- especially through attempts to find new people to swell their ranks in the scattered villages located in Region 5 -- the blows the EPS had inflicted in that region had an impact on the process of defeat "and they will have fewer and fewer places from which to replace their casualities."

Another element contributing to the contra's strategic defeat -- the military chief remarked -- has been that the Somozists have been unable to break the social and economic restructuring which the revolution has been implementing in the war zones. He recalled that when the contras attack a peasant settlement, for example, their objective is not solely to physically destroy its installations, but most importantly "to destroy the political project, so as to drive the people toward other zones and attack them later."

Therefore, the EPS campaign during the summer plan period has been to meet its military objectives through offensive operations, the deputy defense minister said. He added that the plan has allowed greater military control and stability in the war zones while inflicting a high casualty toll on the mercenaries.

He labelled as "major successes" the work achieved to complete the BLI [Unconventional Warfare Battalions] and the Rapid Hunter Battalions, as well as to turn permanent EPS units into brigades, improve the utilization of troops in the regions, and other organizational tasks which have raised the quality of the operations and strengthened the troops.

Commenting on the $100 milion approved by the U.S. Congress, he stressed the political nature of this matter, since apart from the war material and weaponry which the contras may receive because of this decision, the fact is that "the CIA was given a free hand to openly conduct new operations against Nicaragua."

"Not much time will pass without our facing a situation like the one we experienced in 1983 and 1984," Cuadra warned, stressing the danger that the CIA may again resort to direct terrorist actions "in a corrected, augmented, and magnified version of the military attacks perpetrated even without the knowledge of and outside the structures of the counterrevolution."

In this regard, he recalled the attacks with planes and piranha boats against the port of Corinto; the air raid with U.S. aircraft on Santa Clara, Nueva Segovia; the naval attacks against Puerto Cabezas, Bluefields, and San Juan del Sur; and placing mines and blowing up the oil pipeline at Puerto Sandino, "all of which were carried out by CIA elements."

"What looms now is not the direction of the mercenary forces only, but a direct involvement that would obviously be much stronger than in the past," said Commander Cuadra, stressing that the $100 million will not change the contras' strategic situation.

He noted that, undoubtedly, the mercenaries will get tactical benefits from the improvement in their military communications equipment and newer and more sophisticated armament which may result in increased deployment of the Somozists in Honduras and support to the groups on the northern border area, Even the possibility of limited air cover for their forces must not be ruled out.

Cuadra charged that the presence of U.S. advisers alongside the mercenaries presages a direct involvement of U.S. troops in combat even though their actions would be limited border activities.

He noted, however, that these advisers would be "a step away" from military actions to reinforce the contras deep inland. "And this involvement would be leave the Honduran Government and Army a step away from being dragged into combat actions on the border against our country."

From then on, he added, Nicaragua would be faced with an artificial conflict with Honduras, which would create the conditions "for a direct, swift, and growing involvement of U.S. forces in an invasion of our country." Although the time cannot be predicted, this process is developing through closely related events, he noted.

Commander Cuadra said that in view of this situation, in which the United States "has escalated the war with qualitative elements," what must be done is to step up the levels of the operational capacity, efficiency, and effectiveness of the EPS's actions because, he stressed, "the deepening of the strategic defeat of the counterrevolution continues to be a priority task."

"The campaign plan of the EPS during this second half of the year must include important elements to improve our capacity to strike at and annihilate the mercenary groups," he stressed, adding that all military regions must push on with their own plans for defense, mobilization, maintenance, and development of all combat units.

He noted that, in addition, Nicaragua will continue implementing all plans included in the revolution's military doctrine, building up the people's combat capacity and enforcing all measures outlined during the last few months. All levels of organization and cohesiveness of the militias, the reserve, and permanent units must be exceeded in order to "improve our people's mechanisms to confront the aggressive policy of U.S imperialism."

PLI TO PARTICIPATE IN CONSTITUTIONAL DEBATES

PA061649 Managua BARRICADA in Spanish 5 Aug 86 pp 1, 8

[Text] The Independent Liberal Party [PLI] will participate in the debates on the new constitution, which will begin in the National Assembly. In addition, this party will elect new leaders on 10 August. The decision to participate in the debates on the constitution was adopted on Sunday when the commission of delegates [comision delegataria] -- the party's second highest authority with powers in the PLI assembly to make political decisions -- approved the party's participation in the constitutional debates.

The PLI's most conservative wing had been rejecting any participation in the discussion of the new constitution, but this position was changed in the most recent meeting of the commission of delegates, which was convoked by the PLI National Directoratae. One of those who opposed the PLI participation in the debates was Virgilio Godoy, but the majority voted for an active participation in the National Assembly.

A report given to EL NUEVO DIARIO by a departmental delegate disclosed that those who oppose nonparticipation in the debates noted that the PLI had its own constitutional draft, which had to be vigorously defended in the Assembly. They also advocated a move to put aside positions of isolation and ostracism.

Another decision made by the commission of delegates was to hold a special assembly on 10 August to choose the new party leaders "from the presidency on down." At the meeting, candidates to the PLI presidency Orlando Quinonez, Eduardo Coronado Perez, and Juan Manuel Gutierrez stressed their decision to continue as candidates.

BRIEFS

NEW VATICAN AMBASSADOR -- The Nicaraguan Presidency has announced that the new Vatican ambassador, Msgr Paolo Giglio, presented his credentials to President Daniel Ortega this morning. Giglio said, quote, I am in Nicaragua ot strengthen church-state relations, unquote. [Summary] [Managua Radio Sandino in Spanish 1930 GMT 6 Aug 86 PA]

CASTRO LETTER THREATENS TO BOYCOTT OLYMPICS

FL070108 Mexico City NOTIMEX in Spanish 2030 GMT 6 Aug 86

[Excerpt] Havana, 6 Aug (NOTIMEX) -- President Fidel Castro today threatened to boycott the 1988 Olympics if South Korea does not allow North Korea to cohost the games. Castro sent a message to a North Korean newspaper indicating that the two Koreas should organize the Olympics together. [passage omitted]

TANZANIA COOPERATION MEETING BEGINS IN HAVANA

FL062338 Havana Radio Rebelde Network in Spanish 2300 GMT 6 Aug 86

[Text] The first session of the joint intergovernmental commission on economic and scientific-technical cooperation between Cuba and Tanzania began today in Havana. The Cuban delegation is presided over by Arturo Guzman, minister president of the State Committee for Prices. (?Kighoma Malima), minister of state for international cooperation, is presiding over the Tanzanian delegation.

FRG GREEN PARTY PRESIDENT EXPRESSES SOLIDARITY

FL1061648 Havana Radio Reloj Network in Spanish 1426 GMT 6 Aug 86

[Text] We share Cuba's strong and legitimate criticism of the United States, FRG Green Party President Jutta Ditfurth, who is visiting Cuba on her own initiative, has said. During her stay in our country, the FRG leader learned about Cuban relations with Latin America and [our] development and research work and called an extraordinary model the structures of the people's government. The top leader of the FRG Green Party also voiced admiration for Cuba's advances in the social, educational, and cultural spheres as well as in the health system, which is why she expressed willingness to cooperate and trade with our country.

BALAGUER ON DEBTS, SUPPORT OF U.S. POLICIES

FL051535 Mexico City NOTIMEX in Spanish 2315 GMT 4 Aug 86

[Excerpts] New York, 4 Aug (NOTIMEX) -- Joaquin Balaguer, president-elect of the Dominican Republic, today called usurious the interests being paid by debtor countries to the banks and demanded greater facilities for exports.

Balaguer, who next Saturday will be sworn in as president for the fifth term also said the Dominican Republic supports the Contadora Group's peaceful process for Central America but that in many aspects, if not all, it sides with the United States. [passage omitted]

When asked what kind of aid the Dominican Republic can receive from the United States, he said its sugar quota and export facilities could be increased to introduce nontraditional products to the U.S. market, which depends on agriculture. [passage omitted]

Referring to the foreign debt, he said the Latin American countries are paying usurious interest to the banks. In recent years, more than two-thirds of the debt has been liquidated. The Dominican Republic's current foreign debt is $3 billion.

With respect to Central America, he reiterated support for the Contadora Group, but affirmed that his country in many ways sides with U.S. policy, since it is necessary to seek an effective formula which will lead the region toward security. He also noted that functional and effective democracy is necessary in Nicaragua, Central America, and Latin America. [passage omitted]

PINDLING PRAISED FOR ROLE AT COMMONWEALTH SUMMIT

FL062257 Bridgetown CANA in English 1904 6 Aug 86

[By Bertram Niles]

[Text] London, Aug 6, CANA -- The just-ended Commonwealth mini-summit here had at least one beneficiary -- its chairman, Prime Minister Sir Lynden Pindling of the Bahamas.

The meeting provided Pindling with another splendid opportunity to continue to improve his image after a series of drug-related scandals in the chain of islands rules by his Progressive Liberal Party (PLP).

The host country normally chairs Commonwealth meetings, but as the mini-summit was a carry-over from last October's full conference in Nassau, he held the chair. On this occasion he was spared too many awkward questions about drugs in the Bahamas and though coming from a small country with few links to South Africa, emerged with some credit. He conducted the two formal conference briefings with considerable aplomb in keeping with his image of a crafty political veteran. Two prestigious British newspapers, THE OBSERVER and THE GUARDIAN, on consecutive days printed the wrong picture (former Barbados Prime Minister Bernard St John) above his name. But inside Marlborough House where the seven Commonwealth leaders pondered sanctions on South Africa, Pindling performed his limited role very, very well, sources who were at the meeting said.

He felt it was his duty to obtain as much agreement as possible. He kept the meeting flowing and clarified points when necessary, said the sources. One such clarification occurred when there was a clash between Prime Ministers Robert Mugabe of Zimbabwe and Margaret Thatcher of Britain. Mugabe said the Organisation of African Unity was now ready to back the armed struggle in South Africa. Thatcher, apparently thinking that the conference was being asked to back this stand, shot back that she had not expected such things would be discussed. Violence was only permissable in self-defence, she said.

Pindling had intervened to say that Mugabe was not asking for Commonwealth backing. In any case, Mugabe reportedly reminded Thatcher: We have all supported Britain in the use of violence in the past. Despite the harsh pre- and post-summit words, the debate during the meeting was businesslike and lacking in vitriol in the true Commonwealth tradition, according to the sources. In one notable exchange, which must have taken even Thatcher aback as she argued her opposition against sanctions, Australia's Prime Minister Bob Hawke is reported to have told her: If it is a question of the unity of the Commonwealth and its credibility, then we would be more concerned with the latter.

That proved the crunch statement at the summit and guided the decision of the six leaders who agreed to sweeping sanctions to push South Africa toward dismantling apartheid, leaving Thatcher isolated. It was a rare split that eschewed the Commonwealth's known capacity for compromise.

Pindling would have hoped for full agreement as Britain is vital to any economic pressure against South Africa with its extensive commercial interests there. But as Pindling seemed to acknowledge at the end of the summit, he had also presided over a conference that saw the end of an era. In effect the conference unhesitatingly said: No longer was Britain's word the Commonwealths word.

Pindling accused Britain of abandoning its leadership of the Commonwealth and said its standing in the grouping with its 48 ex-colonies would never be the same again.

I think a new leadership is emerging, he said, a point echoed by India's Prime Minister Rajiv Ghandi.

Pindling and five pro-sanctions leaders felt that the Commonwealth had to take the lead on South Africa and had to take a stand now. In the absence of any other role, the Commonwealth has devoted many of its efforts to the fight against apartheid and wanted to take that fight further. Its leaders have formulated voluntary agreements banning sporting links with South Africa and have routinely issued joint declarations on racism and racial prejudice. The Commonwealth summit debate aside, Pindling has returned to the Bahamas to continue his preparations for a general election which he confidently expects will extend his role which began in 1967.

The extensive drug problem in the Bahamas continues to trouble his government though Pindling was last year cleared by a commission of enquiry of allegations that he accepted money from drug dealers. In a report this week, THE TIMES of London estimated that cocaine was contributing at least 10 per cent to the Bahamian gross national product.

But thanks to South Africa (a reference to the summit), his public relations, and an inept opposition, Pindling is restoring his reputation, THE TIMES said.

This conference would undoubtedly have helped him on the way and would rank highly among his list of achievements in a year in which he celebrates 30 years as a member of the country's parliament.

JAMAICA

MANLEY PREDICTS TAX INCREASES FOR ELECTION COSTS

FL070119 Bridgetown CANA in English 0051 GMT 7 Aug 86

[Excerpt] Kingston, Jamaica, Aug 6, CANA -- Leader of Jamaica's main opposition political party, Michael Manley, has predicted new taxes here to pay for heavy spending by the Edward Seaga government in the run up to last week's municipal elections here.
Manley's Peoples National Party (PNP) swept the elections, gaining an estimated 57 per cent of the popular votes and at least 11 of the 13 municipal authorities.

Manley in a statement today, said that in its victory bid the government had embarked on extravagant pre-election expenditure including the utterly vulgar rush to repair roads which came to a full stop on the eve of the (July 29) election.

(The spending) will now have to be paid for by Jamaicans with new taxes which will now be introduced...Manley declared.

Seaga's J5 billion dollar (1 JCA doll; 18 cents U.S.) budget in May was tax free, the government having earlier in the year announced a number of revenue raising measures to close gaps and meet projections for 1986/87.

According to Manley, however, the current budget was a fantasy. He pointed that in the last fiscal year loan inflows were projected at J1.5 billion dollars, but only J500 million dollars came.

In his first major broadside against the government since the poll, Manley said that this year the situation would be worse. The government was quarreling with the International Monetary Fund (IMF), the World Bank, and the United States Agency for International Development (USAID), the country's major benefactors, but whose proposals for continued austerity Prime Minister Seaga rejected.

It is clear that this problem will mean massive adjustments to the budget, including another massive devaluation, a new tax on motor vehicles, and a resumption of the issuing of property tax notices which were shelved during the election campaign, he said. [passage omitted]

ST VINCENT AND THE GRENADINES

OPPOSITION LEADER PRESUMED KILLED IN PLANE CRASH

FL070013 Bridgetown CANA in English 2354 GMT 6 Aug 86

[Excerpts] Kingstown, St Vincent, Aug 6, CANA — Hudson Kemuel Tannis, presumed dead with 12 others on LIAT's ill-fated flight 319, was setting the stage for a major comeback of his opposition St Vincent and the Grenadines Labour Party (SVLP), which lost the government two years ago.

In what was probably his last major press interview, given here nearly two months ago to the CARIBBEAN NEWS AGENCY (CANA), the 58-year-old British-trained lawyer shrugged off the SVLP 1984 election drubbing as nothing more than a temporary setback.

In fact, with an apparent decline in the popularity of the Prime Minister James Mitchell's New Democratic Party (NDP) government, Tannis felt the turn-around in the SVLP's political fortunes had already begun. He said disgruntled Vincentians were looking once again to labour. [passage omitted]

As part of efforts to get the SVLP back on firm footing, he was preparing to chair a major party conference this month to adopt a new constitution, containing guidelines for strengthening the SVLP's organisational base.

With Tannis still unaccounted for, parliamentary opposition leader Vincent Beache, who was deputy political leader, has now effectively taken charge of the labour party pending the election of officers at the forthcoming convention.

Party sources here say they expect Beache to come under a strong challenge for the leadership position when the party meets -- a situation less likely had Tannis been around.

Tannis, his wife Christine, and eight-year-old son were returning home from St Lucia aboard the LIAT flight which disappeared shortly after the pilot had made two abortive attempts to land in a rain storm at Arnos Vale airport, a stones throw from where he lived. [passage ommitted]

TRINIDAD-TOBAGO

NAR CLAIMS UNITY, LOOKS TO FEBRUARY ELECTIONS

FL062314 Bridgetown CANA in English 1833 GMT 6 Aug 86

[Text] Port of Spain, Trinidad, Aug 6, CANA -- Trinidad and Tobago parliamentary opposition leader, Basdeo Panday, has told the government that delaying general elections will not help it win another five-year term.

General elections are constitutionally due by next February. Had the government called an early election, said Panday, it would have caught the then-merging opposition with its pants down.

But the opposition had grown stronger and Prime Minister George Chambers was now making a serious mistake in delaying general elections hoping the National Alliance for Reconstruction (NAR) would disintegrate, Panday told NAR members last weekend. Panday is deputy political leader of the alliance, which comprises four parties.

Chambers and other Peoples' National Movement (PNM) members have repeatedly said the lust for power was all that was holding the alliance leadership together and if the opposition wins the next general election there would be a power struggle.

As far as the leadership is concerned, there is no way in this world the National Alliance for Reconstruction will divide, Panday said.

Panday also commented on Chambers claim that the alliance wanted to wrest political power from a certain section of society.

He was absolutely right except he didn't say which section of the community, he said.

He didn't say that the section of the community was the oligarchic clique in the PNM.

BRUNSWIJK SUSPECTED IN REBEL ACTIVITY, DEATH

PM061153 Rotterdam NRC HANDELSBLAD in Dutch 2 Aug 86 p 1

[Text] Paramaribo, 2 Aug -- A 3-year-old child was killed in a shootout yesterday in the black-populated bush village of Morakondre between the Surinamese army and the group led by dissident former officer Ronnie Brunswijk. Some 20 members of the group were captured; the rest fled into the forest, Surinamese television has reported.

The names of those arrested, who wereheavily armed, have not been made public. It is assumed that Brunswijk is not among them.

The Surinamese Army began a hunt for Brunswijk's group after it attacked two military posts in Stolkertsijver and Albina, on the border with French Guiana. In the attacks, 12 soldiers were taken hostage.

Surinamese Ministry of Popular Mobilization Director Laurens Neede told the television station that the military police interrogation of those arrested could lead to the capture of Brunswijk and his men and the release of the hostages. Articles of clothing belonging to the hostages have been found.

According to well-informed sources in Paramaribo, Juan Brinkmann was arrested last week. He is said to be an Argentine with a Venezuelan passport and, according to Minister [as published] Neede, was the contract man between Brunswijk and the 14 U.S. mercenaries arrested in the United States Monday [28 July]. They were planning to stage a coup against the Bouterse regime and have said they were hired by the Ansus Foundation in Amsterdam. The foundation is headed by George Baker; he has declared that he knows nothing of these plans.

According to Neede, maps and other important information belonging to Brunswijk have been found. The maps indicated targets which Brunswijk had intended to attack in the Marowijne-Commewijne area in eastern Suriname, noted Neede, a former military attache in The Hague. He spoke of a "very sophisticated and well-prepared action" by Brunswijk and the mercenaries. According to Neede their plans were not carried out because Brunswijk failed to take over the barracks in Albina.

Neede also said that Suriname's neighbors -- Guyana, French Guiana, and Brazil -- have made concrete promises that they will prevent their territory from being used as a base for counterrevolutionary activities against the Surinamese Government. Neede said that he also hopes that the promises made by the Netherlands will be seen in its actions. The Foreign Ministry in The Hague stated twice last week that the Netherlands will observe international law and will not allow Netherlands territory to be used in the preparation of actions which have the objective of toppling the government of another state by force. As a result of allegations of Netherlands involvement in such actions, the Netherlands ambassador in Paramaribo had been summoned to meet with the Surinamese foreign minister.

Soldier Dies in Rebel Search

PY052122 Paris AFP in Spanish 1934 GMT 5 Aug 86

[Text] Paramaribo, 5 Aug (AFP) -- It was reported today in Paramaribo that an operation to pursue the Surinamese rebel group headed by Ronny Brunswijk resulted in the death by drowning of Reginald Koulen 28, a soldier in the forces headed by Commander Desi Bouterse.

On 21 July Brunswijk's followers attacked two military posts in the western part of the country, where they palnned to establish a liberated zone, according to a plan that has been disclosed by the government. They also kidnapped 12 soldiers.

Regular forces of this former Netherlands colony in South America pursued the rebels through the Marowijne district, in western Suriname, an area on the border with French Guiana. The newspaper DE WARE TIJD reported that Koulen drowned last Saturday when he was crossing a river in a canoe that capsized.

About 20 persons have been arrested in Marowijne for their alleged involvement with the gang headed by Brunswijk, Bouterse's former bodyguard.

Churches on Recent Violence

FL062116 Paramaribo International Service in English 1748 GMT 6 Aug 86

[Text] The Committee of Christian Churches in Suriname has issued a press release in which they said the violent development in eastern Suriname were painful. The release said that the fact that the people ahve chosen for a path of unity made these developments more painful. The release came in the wake of the actions of the Brunswijk group during which 12 [word indistinct] were kidnapped.

Until now, one dead has been reported, that is of a small child who was killed in a shootout between an Army patrol and members of the Brunswijk group.

The clergymen have called on both parties to treat their captives humanly.

FBIS DAILY REPORT

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CHRISTIAN DEMOCRATS END MEETING IN MONTEVIDEO

PY051921 Buenos Aires TELAM in Spanish 2102 GMT 3 Aug 86

[Text] Montevideo, 3 Aug (TELAM-ANSA) -- The first congress of the South American Christian Democratic parties at the end of the deliberations in this city expressed the will to act in a more coordinated way to support the democratization of Chile and Paraguay. It also applauded Argentina and Brazil for excluding these dictatorial governments from their integration process. The congress called attention to the dangers that surround the new democracies of the region and strongly criticized terrorism, which destabilizes democratic regimes and strengthens the coupist sectors of society.

Delegates from the Christian Democratic Organization of America (ODCA), whose headquarters is in Venezuela, and delegates from the Christian Democratic parties of Argentina, Bolivia, Chile, Paraguay, and Uruguay attended the 3-day meeting held in the Park Hotel of this city. ODCA members have said that the group decided to meet three times a year. The next meeting will be held in September in Santiago.

The congress also denounced the unpayable foreign debt, the recessive policies of the IMF, the intervention of powers from outside the area, senseless terrorism, drug trafficking, and the unequal social structures as dangers threatening the newly recovered democracies. The participants in the congress also expressed their support for the Paraguayan National Accord and the Chilean Accord that are proposing a peaceful transit to democracy in their respective countries.

On the subject of the Central American conflict, the congress supported the Contadora Group and stressed its conviction that Latin American problems should be solved by Latin Americans. Regarding the collective program, it was decided to intensify the common efforts of the Christian Democratic Parties of the Latin American Southern Cone to strengthen the Christian Democratic presence in the region.

Shortly before the end of the meeting, the congress approved a statement on the recent integration agreement signed between Argentina and Brazil which is considered to be a historic event of the greatest importance. The statement added that, referring to Chile and Paraguay, for the first time the process of regional economic cooperation is being expressly conditioned to the existence of democratic governments.

In conclusion, it is said that a large region of almost 12 million sq km has been created for economic cooperation and integration, in which over 160 million people of this continent are participating.

ALFONSIN SCORES U.S. POLICY IN C.A., GRAIN DEAL

PY072352 Buenos Aires DYN in Spanish 2217 GMT 7 Aug 86

[Text] Buenos Aires, 7 Aug (DYN) -- President Raul Alfonsin has accused the United States of violating "the basic principles of international law" beause of its intervention in Central America and warned that U.S. strategy seeks to radicalize positions to prevent a pluralistic democracy in Nicaragua. Basing his opinion on "military evaluations," the Argentine chief of state believes that "there is going to be a certain type of terrorism in Nicaragua that is going to be the expression of rightist terrorism."

Alfonsin made these statements in Mexico during an interview granted to journalists of Mexican and Spanish television. The transcript was disseminated here tonight by Government House. These statements by the president against Ronald Reagan's administration are the strongest Alfonsin has made against that administration since he became president. They were made less than 1 week after it was learned that the U.S. Government was going to subsidize its sale of grain to the Soviet Union, which up to the present time had been Argentina's main client.

Alfonsin also gave the United States a tongue-lashing because of its "unfair competition" in foreign trade, and he indicated that it is "already a fact" that the payment of interest on Argentina's foreign debt has been limited, "because we are not going to sacrifice the possibilities of growth, nor are we going to pay the debt through the hunger of our people."

When one of the journalists asked whther the difficulties in seeking a peaceful solution in Central America could come from the "radicalization of the Sandinists," Alfonsin answered: "In this case I believe we are making a tremendous mistake. If a pluralistic democracy is what is being sought for Nicaragua, then the activities that are being carried out by the United States are heading in the wrong direction," the chief of state said before maintaining: " I believe that to a certain extent radicalization is being sought," and "it seems that the work that is being carried out is going fully against the proclaimed objective."

When he was asked about the possibility of a U.S. invasion of Nicaragua, the Argentine president said that "as a result of the activities that are currently being carried out this can even be presupposed, and the military evaluation of the situation indicates that there is going to be a type of terrorism in Nicaragua that will be the expression of rightist terrorism." He then said that "this type of action is really surprising."

Alfonsin himself asked: "What is going to happen?" and said: "There will be an advance in what I call the Lebanonization of Latin America; we are going to be increasingly immersed in the East-West conflict, and we are going to become divided for reasons that are not ours.

"I definitely believe," Alfonsin added, "that continental security is going to be undermined, and the same type of task will also be carried out, even against the security of the United States."

Regarding the decision of the U.S. Congress to approve a $100-million loan to Nicaraguan contras, Alfonsin stressed that "the United States is not only violating the basic principles of international law, it has also, for the time being, removed Latin American democracies from the scene, and I would even say from the world scene."

The chief of state proposed that a solution be sought in support of political pluralism in Nicaragua and "considering as our own the economic and social problems" of that country.

Finally, Alfonsin deplored the "unfair competition" of the United States in the trade of agricultural products and demanded a "substantial reduction" on the interest of the foreign debt.

PCA Leader's Condemnation

PY072159 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1411 GMT 7 Aug 86

[Text] Buenos Aires, 7 Aug (NA) -- Athos Fava, the secretary general of the Argentine Communist Party [PCA], today demanded that the government declare a "moratorium on the foreign debt" in view of the decision of the U.S. Government to subsidize its grain exports and he also demanded that the "Austral Plan imposed by the IMF be abandoned."

In a statement released today, Fava said that "facts like the U.S. subsidy on grain exports and the July inflation rate demonstrate the failure of the Austral Plan. They are the reasons we are demanding a moratorium on the foreign debt."

The communist leader then stated that "the demands of several Radical leaders who say that the U.S. aggression must be answered, even with the suspension of the service payments on the foreign debt, must not be considered mere verbiage.

"The inflation rate indicates the seriousness of the economic crisis, with its costs that are a burden on salaries," he added.

Finally, Fava said that "if the economy is to be reactivated and if the standard of living of the poorer classes is to be improved, then the only path to follow is the suspension of payments on the foreign debt and the abandonment of the Austral Plan that was imposed by the IMF."

Subsidy 'Shameless Maneuver'

PY072033 Buenos Aires Domestic Service in Spanish 1600 GMT 7 Aug 86

[Text] In the opinion of the Argentine Communist Party, the U.S. subsidy on grain exports is a shameless maneuver. Communist leader Athos Fava said that this decision aims at reducing the Argentine participation in several international markets and is an attempt by the United States and the EEC to corner the world wheat market.

GOVERNMENT SAYS NO TO LEADING NONALIGNED MOVEMENT

PY070140 Madrid EFE in Spanish 0010 GMT 6 Aug 86

[Text] Buenos Aires, 5 Aug (EFE) -- A high-ranking Argentine Foreign Ministry source today told EFE that Argentina "does not aspire to preside over" the Movement of Non-Nonaligned Countries.

The same source added that this decision "will be reported by President Raul Alfonsin to Indian Prime Minister Rajiv Gandhi," whose country now heads the movement. The two leaders will meet during the talks of the "Group of Six" that will take place in Ixtapa (Mexico).

At this meeting, Alfonsin and Gandhi will study the Argentine president's participation in a meeting that will take place in Zimbabwe.

The source added that the Argentine presence at the Zimbabwe meeting "is a decision that President Alfonsin will make personally." Argentine diplomatic circles are speculating that Yugoslavia will assume the presidency of the movement, while the nominations of Indonesia and Nicaragua -- countries that have asked to hold that post, but have pending international conflicts -- have been ruled out.

Alfonsin left for Mexico today to attend a meeting of the "Group of Six," which will formally begin tomorrow and will be attended by Mexican President Miguel de la Madrid, the heads of government of Greece, Andres Papandreou: Sweden, Ingvar Carlsson; and India, Rajiv Ghandi; and former Tanzanian President Julius Nyerere.

JUDGE INDICTS URUGUAYAN ARMY, POLICE OFFICERS

PY070357 Buenos Aires TELAM in Spanish 2305 GMT 5 Aug 86

[Text] Buenos Aires, 5 Aug (TELAM) -- The Center for Legal and Social Studies (CELS) today reported here that Judge Nestor Blondi has indicted three Uruguayan Army officers and a Uruguayan police intelligence officer in the case involving the unlawful detention of Uruguayan journalist Enrique Rodriguez Larreta in 1976.

A press communique bearing the signature of CELS President Emilio Mignone names the people involved as Uruguayan Army officers Jose Nino Gavazzo, Manuel Cordero, and Jorge Silveira and Uruguayan Police Intelligence Inspector Hugo Campos Hermida. The communique adds that the Argentine judge also ordered that they testify. Therefore, an arrest warrant must be issued by the Argentine Federal Police, the CELS states.

The communique says that the judge decided to locate the four other high-ranking Uruguayan military men, namely General Amauri Prantl (who has reportedly died), and then Army Majors Ernesto Rama, Ricardo Emdina, and Enrique Martinez and to subpoena them and bring them to trial. To this end, on 31 July 1986 the appropriate court summons were issued to Federal Police Chief Juan Angel Pirker, the communique adds.

These measures were adopted as part of the investigations being conducted into the persons responsible for a clandestine detention center known as Automotores Orletti which, during the past military dictatorship, was located at 3519 Venancio Flores Street in Buenos Aires.

COST OF LIVING INDEX RISES BY 6.8 PERCENT

PY072235 Buenos Aires BUENOS AIRES HERALD in English 7 Aug 86 p 1

[Text] (NA-DYN) -- The cost of living rose 6.8 percent last month, the National Institute for Statistics and Censuses (INDEC) announced yesterday, with wholesale prices rising 5.1 percent and the cost of construction increasing 9.6 percent.

Inflation is now running at 33.3 percent so far this year, and 50.9 percent over the last 12 months. The equivalent figures for the wholesale sector are 18.8 percent and 24.4 percent, respectively, while construction has risen 33.3 percent over the last 12 months.

Last month's inflation was the highest in the life of the Austral Plan and thus caused the figure over the last 12 months to rise for the first time in a year since it exceeded the 6.2 percent registered in July, 1985. The June-to-June figure was 50.1 percent.

The unexpectedly high figures caused Economy Ministry officials, including Minister Juan Sourrouille, to meet hurriedly yesterday although Domestic Trade Secretary Ricardo Mazzorin insisted that there would be no new price freeze -- on the contrary, a new list of maximum prices would be announced tomorrow, he said.

Mazzorin blamed last month's inflation on soaring meat prices, without which the figures would have been 5.6 percent, he said. He also blamed excessive demand, a position anticipated by senior economy ministry official Adolfo Canitrot in Rosario earlier in the day.

Canitrot, who said the task of stemming inflation was "very difficult," admitted to journalists that he had been avoiding it for some time because "political factors" made it impossible for him to reveal how the government planned to tackle the latest wave of inflation.

Accentuating price trends in recent weeks have given rise to speculation that the government plans to tighten up both monetary policies and price controls, as well as stepping up chicken and pork imports. A survey by Miguel Angel Nudelman Bass pollsters last week, suggested inflation would reach a monthly 12-15 percent if all controls were lifted.

The July increase was remarkably even across-the-board; only recreation and leisure (13.5 percent), miscellaneous goods and services (8.8 percent) and housing, fuel and power (eight percent) were above average, while food and beverages weighed in at 6.1 percent.

Rents will also go up by 6.8 percent, INDEC announced. It also proceeded to raise all figures back to March, according to recent wage hikes, which are combined with price increases to determine the weighted index governing rent. March rents will thus increase 8.1 percent; April, 8.7 percent; May, 5.4 percent; and June, 3.4 percent.

Public Works Minister Pedro Trucco yesterday denied that any utility hikes were in the offing. Before leaving for Montevideo to analyze the progress of various bilateral agreements signed at Colonia last year. Trucco said the rising trend of utility hikes would begin to dip in the last quarter of the year and reported progress in the denationalization of Austral airline despite "administrative bureaucracy."

The minister also said that he had no objections to a parliamentary appearance to explain his role in last June's month-long strike by Aerolineas Argentinas pilots, as requested by two Peronist deputies on Tuesday.

SENATE CONSIDERS NUCLEAR ENERGY USE BILL

PY070149 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1212 GMT 6 Aug 86

[By NOTICIAS ARGENTINAS special correspondent]

[Text] Ixtapa, Mexico, 6 Aug (NA) -- Senate Defense Committee President Antonio Berhongaray today reported here that he has submitted a bill to the Senate. This bill calls for prison terms of 1 to 6 years and a special disqualification from holding public posts for twice that period for state employees who develop nuclear programs for military use.

Berhongaray, who is a member of the entourage accompanying President Alfonsin on his tour of Colombia and Mexico, has stated that it is Alfonsin's wish that this bill be approved before the beginning of the UN assembly to ratify Argentina's peaceful intentions.

The bill's preamble recalls Argentina's reasons for not ratifying the Tlatelolco Treaty or signing the Nuclear Nonproliferation Treaty. The bill also provides that any official who reveals confidential information on the Argentine nuclear program, referring fundamentally to the uranium enrichment process mastered by our country in 1983, will be imprisoned for a period of 1 to 6 years.

The bill, drawn up in the light of the second summit meeting of the "Group of Six," stresses that all programs "aimed at the creation of any device that may release uncontrolled nuclear energy," will be considered as militarily-oriented.

The third article of the bill points out that "any state official who, on behalf of Argentina, authorizes the signing of bilateral or multilateral agreements for the transfer of material, equipment, installations, or nuclear technology to foreign governments, companies, or private individuals, will be sentenced to prison terms ranging from 6 months to 2 years and will be disqualified from holding public office for twice that period, if that trnasfer does not take into consideration the safeguards of the International Atomic Energy Agency (IAEA), or of any other international safeguards that are in effect."

Finally, the Argentine senator's bill establishes that "any state employee who through indiscretion or negligence, makes known the information mentioned in the previous article, which he or she possesses by virtue of his or her job or position, will be sentenced to prison terms ranging from 1 month to 1 year and disqualified from holding public positions for twice that period."

FEDERAL POLICE TAKE CHARGE OF SANTA FE PROVINCE

PY070025 Buenos Aires TELAM in Spanish 1316 GMT 6 Aug 86

[Text] Santa Fe, 6 Aug (TELAM) -- The federal border police today took charge of security throughout the Santa Fe Province following the general confinement to barracks of the provincial police, whose members are demanding a salary increase that would raise their basic salaries to between 250 and 300 australes.

The Santa Fe Government has urged the striking personnel to give up what it called their insubordinate position and warned them that it will not consider their demands so long as they continue their pressures and coercive measures.

In a communique released this morning, the Santa Fe Government stated that the strike is having a destabilizing effect because the Santa Fe police are the best paid police in the country; they are even better paid than the federal police.

The text of the communique, which is signed by Provincial Interior Minister Eduardo Cevallo, warns that the courts have been instructed to classify the crime as insubordination. This crime was committed by personnel of the provincial police on 4 August when they gathered at the local headquarters.

Provincial government sources have stated that a few days before the conflict the police had rejected an increase that would have made an agent's take-home salary 215 australes, maintaining their demand for a minimum of between 250 and 300 australes.

ROK DEPUTY PRIME MINISTER ENDS VISIT

PY072228 La Paz EL DIARIO in Spanish 30 Jul 86 p 1

[Excerpts] President Victor Paz Estenssoro was invited to visit South Korea for the purpose of increasing bilateral relations, South Korean Deputy Prime Minister Kim Man-che said.

Yesterday in Government House, the chief of state received the South Korean representative who praised the new Bolivian economic policy and the strengthening of the democratic system. [passage omitted]

"The South Korean people are interested in participating in Bolivian reconstruction," Kim said, adding that his government has proposed some concrete plans that will be analyzed by specific teams. [passage omitted]

Kim said that his country wishes to carry out an exchange between private businessmen of the two countries with the purpose of promoting interest among Korean and Bolivian investors so as to create more job sources and develop other activities that will benefit the two countries. [passage omitted]

The South Korean official and his entourage visited various places and spoke with national government members expressing the desire to find other areas of development between the two countries.

According to his statements, Kim's visit was positive because he was able to learn about Bolivia. He will recommend that his government cooperate further with our country considering it is undergoing a recovery stage.

Today Kim will meet with several members of the legistlative branch, with whom he will exchange impressions about the democratic system and the need to preserve it despite social and political difficulties.

Kim and his delegation will leave the country this evening. Foreign Minister Guillermo Bedregal Gutierrez will accompany the deputy prime minister to El Alto Airport.

PCB WANTS 'DEMILITARIZATION' OF EXECUTIVE BRANCH

PY071448 Madrid EFE in Spanish 0255 GMT 7 Aug 86

[Text] Salvador, 6 Aug (EFE) -- The Brazilian Communist Party (PCB) will demand the "demilitarization" of the executive branch of President Jose Sarney's government, which is made up of six military ministers. The demand is part of the PCB's proposal to participate in the National Constituent Assembly for the creation of a single Defense Ministry that would group all six military ministries.

Haroldo Pinto, PCB leader in the Brazilian Congress who participated in President Sarney's delegation that visited Argentina last week, said that he was "impressed with the demilitarization process carried out in the government of President Raul Alfonsin."

The structure of the Brazilian executive branch is made up of six military ministers: those of the Army, Air Force, Navy, National Intelligence Service, military household of the Presidency, and the Armed Forces joint staff.

On 15 November Brazilians will elect a national constituent assembly to study and approve a new constitution in keeping with the current constitutional process that began on 15 March 1985, after 21 years of military regimes.

NUCLEAR COOPERATION WITH FRG TO CONTINUE

PY072049 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 Aug 86

[Text] Brazil will continue its cooperation agreement with the FRG for the peaceful use of nuclear energy. This suggestion was made in a report on the Brazilian nuclear program that was drawn up by the National Security Council and the Mines and Energy Ministry.

The document likewise forsees an increase in cooperation between Brazil and Argentina, and the construction of a new nuclear plant before 1989. It also envisages the mastering of the full nuclear fuel cycle and the completion of the works of the Angra I and II nuclear plants.

CUBA TO BUY $10 MILLION IN AGRICULTURE EQUIPMENT

PY080323 Madrid EFE in Spanish 1559 GMT 7 Aug 86

[Text] Brasilia, 7 Aug (EFE) -- It was announced today in Brasilia that Brazil will sell to Cuba agricultural equipment valued at $10 million in the first large scale trade agreement since the two countries renewed diplomatic relations on 25 June. Achilles de Resendo Lobo, trade director of the private bank [Mercantile and Industrial Bank of Parana S.A.] has reported that negotiations were concluded last week and that the form of payment is the only matter still pending.

The announcement was made in Quito, Eucador, where Resendo Lobo met with Ecuadoran businessmen to discuss the visit of Brazilian Foreign Minister Abrew Sodre to Ecuador. Rosendo Lobo and Luiz Carlos Berzoini, area manager for manufactured products of the same group, today traveled to Lima, from where they will travel to Havana to iron out the form of payment. Resendo Lobo also stated that depending on the Cuban proposal regarding the form of payment, Brazil could obtain financing through the international banking system or through the sale of sugar to third countries.

U.S. SOUTHERN ZONE COMMANDER VISITS COUNTRY

PY071223 Santiago Domestic Service in Spanish 2300 GMT 6 Aug 86

[Text] General John Galvin, commander of the U.S. Southern Command, today started his official activities in Santiago. After meeting with Defense Minister Carvajal, he met with the Chief of State General Pinochet for more than 35 minutes. General Galvin is visiting the country in the company of several high-ranking officers and members of the U.S. Embassy in Santiago.

As he came out of his meeting with the president, General Galvin excused himself from answering questions from reporters, saying he will do so at the time of his departure on 8 August.

[Begin Galvin recording] As I told you before, when I depart from the country on Friday I will hold a news conference. At this time I just want to say that I had a talk with the president and that I told him that I was in Chile to get to know the Armed Forces better, considering the importance of maintaining good relations between the United States and the Republic of Chile. As far as I am concerned, I am interested in military links between the two countries. [end recording]

Gen Galvin then courteously said goodbye to journalists and left La Moneda Palace along with those who accompanied him.

TORCHED GIRL TAKES TURN FOR THE WORSE

PY071200 Paris AFP in Spanish 0359 GMT 7 Aug 86

[Excerpts] Santiago, 6 Aug (AFP) -- According to the doctors who are treating Chilean student Carmen Gloria Quintana, who according to witnesses was torched by a military patrol during a demonstration staged by the opposition, the patient took a turn for the worse tonight.

Carmen Gloria is now fighting for her life, said a relative at the Hospital del Trabajador, where the young girl is being treated for burns that cover 62 percent of her body. According to the doctors, the 19-year-old university student recently developed pneumonia, which prompted an urgent medical council. [passage omitted]

Carmen Gloria Quintana had been improving slightly over the last few days, but her relatives reported tonight her life is in danger.

DEMONSTRATIONS OVER STUDENT'S DEATH; 32 ARRESTED

PY080259 Paris AFP in Spanish 2325 GMT 7 Aug 86

[Text] Santiago, 7 Aug (AFP) -- Police sources have reported that at least 32 demonstrators were detained today in Santiago during incidents that broke out after the death of student leader Mario Martinez, whose body was found on 6 August on a lonely beach.

The largest disturbances occurred in the neighborhood of the University of Santiago, when hundreds of youths marched in a column through the streets after attending a mass offered for the student leader, who attended that university.

Uniformed Carabineros intercepted the column of demonstrators. Twenty-five people were arrested for provoking street disturbances, according to the report. Incidents also occured in the neighborhood of the Engineering College, where Carabineros detained seven students.

Mario Martinez, who was a member of the opposition Christian Democratic Party (PDC), was the secretary of the Student Federation of the University of Santiago and treasurer of the Confech (Students Confederation of Chile).

Between 1985 and 1986 he was detained on five occasions, and 2 months ago he submitted an injunction to the courts when he felt that his personal security was being threatened, according to PDC sources. The causes of his strange death have not yet been established, but the authorities have ordered an immediate investigation.

Court Proceedings Begin

PY072333 Santiago Radio Chilena in Spanish 1700 GMT 7 Aug 86

[Relay from Cartagena]

[Excerpt] Several court proceedings have begun at the San Antonio courts to clarify the incidents that led to the death of student leader Mario Martinez Rodriguez, whose body was found on a Santo Domingo beach. The youth's parents arrived here last night to identify the body. At the local morgue Martinez's father said that there were some injuries on the neck and head of the body.

Today several student leaders arrived here along with lawyer Andres Aylwin, who has initiated the appropriate court proceedings. [passage omitted]

Dinacos Director's Remarks

PY080047 Santiago Radio Chilena in Spanish 1700 GMT 7 Aug 86

[Report from Government House by Eliana Henriquez]

[Text] Dinacos [Government Social Communications Agency] Director Marcelo Benegas today said that the death of university student leader Mario Martinez Rodrigriguez being investigated by the courts, which are the only entities that can legally evaluate the facts. The Dinacos director said that everything else is pure biased political speculation and an offense to the truth.

Benegas read a communique which refers to the statement made yesterday by Andres Palma, president of the Christian Democratic Youth, who said that he is not certain about the events that led to the disappearance and death of student leader Martinez Rodriguez.

[Begin recording, in progress] ...but later and without giving any details, he says that Martinez Rodriguez was killed. He speculates that it could have been an accidental death, thus contradicting what he has previously said.

Later he says that he is certain that Chilean courts are incapable of offering justice and that today there is no institution that could convince him that Martinez Rodriguez died an accidental death.

This statement, which is incomprehensible to any reasonable person, is only a prejudiced political statement which forms part of a recent anarchic and perverse campaign that is being conducted to undermine the national institution. [end recording]

The government spokesman said that this campaign is being conducted for propaganda purposes, mainly abroad, and to support the opposition's political position. He added that the real situation is quite different and the courts are the only entities that can evaluate the facts in keeping with the laws.

After reading the communique, the Dinacos director declined to answer questions on the issue.

FPMR LEADER CLAIMS ARMY INFILTRATED

PY071622 Madrid EFE in Spanish 1519 GMT 7 Aug 86

[Text] Santiago, 7 Aug (EFE) -- A hooded man, claiming to be an 18-year veteran of the military and a leader of Manuel Rodriguez Patriotic Front [FPMR] units within the Chilean Army, today said that "it would be an honor to have the opportunity to kill Pinochet." The man, who was wearing a military uniform and a hood over his head, made these remarks during a clandestine press conference granted to foreign correspondents to Chile. Two soldiers who had deserted were also introduced to the reporters.

The soldiers reported that they had deserted a few days ago to join FPMR fighting units "because we are tired of being used to repress our people, the Chileans." Moreover, they stated that they were deserting for security reasons and that one of them, Manuel Vladimir Olivares Morales, 21, of Regiment No 1 "BUIN" has been acting for the FPMR within the Army for 1 year.

The other, Miguel Angel Melendez Baez, a recruit who was sent to the San Bernardo Infantry School only 4 months ago, said he deserted because he feared receiving an order to fire during the repression of the demonstrations. "Had I disobeyed those orders, I would have been punished or killed," the soldier stated.

The case of the two youths burned on 2 July by a military patrol, according to eyewitness reports, "confirmed my decision to desert," Miguel Angel Melendez added. The two youths, who were wearing uniforms and carrying Chilean Army weapons, identified themselves to the foreign correspondents with their respective military identification cards. Their weapons were described as a Brazilian SIG rifle and a U.S.-made M-16 rifle.

The hooded man identified himself as chief of the unit that the FPMR has "in almost all Santiago regiments," stating that he had his face covered because he had to return to his barracks and that his "nom de guerre" is Luis Gonzalez. The hooded man said that "there are many of us in the Army," although he did not give figures. He added that "we have reached the conclusion that the solution is for General Augusto Pinochet to leave once and for all, and we hope that one of us will have the honor of freeing Chile from the dictator."

When asked "Do you mean an attack on Pinochet?," the hooded man replied: "That is exactly what I mean. We want to warn him that it would be an honor for one of us in the Army to eliminate him." He added: "We have enough power to tell Pinochet and the High Command that they cannot rest. One of us might finish Pinochet at any time."

The hooded man stated: "The institution they have discredited for all these years is above Pinochet and the High Command. They topped it all by torching the youths. We have no doubt that a patrol was involved."

Nevertheless, he said that the main goal of the FPMR military units he is leading is to work within the Army, encourage desertions, "and supply weapons to the FPMR patriotic forces." The man added: "We, the military men, are men-at-arms, not good with words. We ultimately believe that the solution to the Chilean problems, finishing Pinochet, will involve the military."

"However," Luis Gonzalez said, "we do not want a war. Therefore, the more progress we attain within the Army, the stronger we will become."

"We believe that from the FPMR we can really serve our country and not repress Chileans and make them suffer," he added.

Deserter Manuel Vladimir Olivares Morales said he was a member of an Antisubversive Force [Unidad de Fuerza Antisubversiva] where he said he was trained as a sharpshooter "to shoot important people in demonstrations or to shoot protest leaders, which is the same thing." The young soldier said that despite having been trained for this purpose, he never received orders in his specialty.

Both deserters said that they had participated, with their faces painted, in raids on workers' slums in the last few months. In addition to the two deserters and the hooded officer, there were also two members of the FPMR National Directorate, who were also hooded. They called themselves Commanders Jose Miguel and Daniel. A young guerrilla girl with an Uzi submachinegun was also present.

The FPMR commanders told the foreign correspondents that the FPMR's enemies are not the Army, but Gen Pinochet and his unconditional supporters, and they urged military personnel to stop repressing the people and to join the FPMR.

The deserters added that they had deserted and were holding this press conference in commemoration of the first month since the burning of Rodrigo Rojas and Carmen Gloria Quintana, and to show that we are nearer to the moment "when each man-at-arms will find himself in the conflict to decide whether to continue repressing the people or to join the people's side."

Late last year, the FPMR revealed in a press conference that a young Carabinero, Juan Antonio Rios, had deserted and was helped out of the country by the FPMR.

BISHOP ASKS MILITARY NOT TO OBEY UNJUST ORDERS

PY072116 Madrid EFE in Spanish 0239 GMT 7 Aug 86

[Text] Santiago, 7 Aug (EFE) -- Msgr Christian Prech, pastoral vicar general of the Sanriago Archbishopric, has asked the military not to obey unjust orders.

The vicar made this call in the last issue of the bi-weekly bulletin SOLIDARIDAD, which is edited by the Vicariate of Solidarity, a human rights organization of the Chilean Catholic church. Msgr Prech founded this bulletin shortly after the 11 September 1973 military coup, and later assumed other responsibilities within the church.

In the same publication, Prech added that if no urgent measures are taken, the country could fall into a situation similar to that of El Salvador or Guatemala, and added: "I would like to place Chile in a moral quarantine."

Msgr Prech said that "in this country we need a rebellion of conscience" and "we must let our conscience rebel, and the military should not obey unjust orders. The military codes protect them." He added that the rebellion of conscience should also affect the political and church militants so as to change the institutions.

Commenting on the case of Rodrigo Rojas (who died on 6 July 1986) and of Carmen Gloria Quintana, (hospitalized in critical condition), the two youths burned on 2 July by a military patrol, according to eyewitnesses, Msgr Prech said: "I would not like to see any draftees sentenced for having participated in the burning" of the two youths.

"They are being taught to act in this manner somewhere," Msgr Prech stated. "I would like to find out whether they are being taught this in the regiments."

Msgr Prech then added that "the problem is what to do to enable Chile to regain its history, so that the people can have work, bread, and dignity."

He added: "And if the Constitution needs to be changed 10 times to achieve this, it should be changed 10 times. If the people need a change of government today, we must work to achieve that change, and if this change is needed in 1992, then we will work toward that end. The Constitution is not sacred, but life is sacred."

VICARIATE OF SOLIDARITY LAWYER, PHYSICIAN RELEASED

PY080246 Santiago Radio Chilena in Spanish 2300 GMT 7 Aug 86

[Excerpt] In a five-to-one vote, the Supreme Court released on bail lawyer Gustavo Villalobos and physician Ramiro Olivares, both working for the Vicariate of Solidarity and prosecuted by the Military Court. There was only one dissenting vote to the Supreme Court decision, that of Army Judge Advocate General Eduardo Avelo. Lawyer Roberto Garreton said that the decision reversed a previous decision by the Military Court, which had refused to release Villalobos and Olivares. However, the Supreme Court has not dismissed the indictment against these professionals. [passage omitted]

PINOCHET ORDERS AID FOR BOMB VICTIM'S FAMILY

PY072203 Madrid EFE in Spanish 0537 GMT 7 Aug 86

[Excerpts] Santiago, 6 Aug (EFE) — THe Chilean Government will grant economic aid to the family of young John Patricio Malhue, 22, killed on 4 August when the car he was driving blew up near a military barracks in Santiago. This announcement was made today by Fernando Alvarez, mayor of the Conchali District in northern Santiago, who, on orders from General Augusto Pinochet, visited the relatives of the victim. The young man, who worked under a government-sponsored program for unemployed people, lived in a modest house on the outskirts of the city, was married, and had a 3-year-old daughter.

His wife is expecting a second child. [passage omitted] After visiting the relatives of the dead worker, Mayor Alvarez said that, acting on presidential orders, he visited the family to express his condolences and to find out how the family could be helped. Referring to the widow's pregnancy, the mayor said that "the victim of this terrorist act is an innocent creature who has not yet come into this world." He added that the government will assist in covering the expenses related to the delivery and family necessities.

GOVERNMENT APPROVES ELECTORAL REGISTRATION LAW

PY080236 Santiago Radio Chilena in Spanish 2300 GMT 7 Aug 86

[Text] The Government Junta approved the Electoral Law in a special session held today. This law should be promulgated on 11 September. After the legislative body special session, Admiral Jose Toribio Merino noted the importance of the law that was approved.

[Begin recording] [Merino] As you know, there can be elections, plebiscites, or other such events which require that people casting votes and giving their opinion are well identified. In this way the government can have a basis on which to evaluate the general thinking of the nation.

[Reporter] When will it become fully effective?

[Merino] The text of the law says 5 months, but the Interior Ministry will try to shorten that time. First the law has to go to the executive branch and then to the Constitutional Tribunal, which will verify whether or not it meets all the constitutional requirements. Thereafter, it will be promulgated and implemented.

[Reporter] Is it true that it will be promulgated on 11 September?

[Merino] That is what we would like to do. We hope that the Constitutional Tribunal will not find any flaws and, if such is the case, there will be no reason that its promulgation should be delayed for more than 1 or 2 weeks. [end recording]

Asked why it was decided to adopt the manual and computerized methods, when the latter is a more advanced method, Admiral Merino said: Precisely because the computerized method can lend itself to errors or fraud. It would only take the theft of a code for important documents to be falsified.

[Begin recording] [Reporter] Which system will be used in the elections?

[Merino] The updating of the electoral registry will be done by computer. The Civil Registry of Persons will submit to the Electoral Registry the names of persons who have died or have been born for tabulation by the computers. [end recording]

In turn, Interior Minister Ricardo Garcia said that the approval of the Electoral Law demonstrates the political will of the government to move ahead with the process of full democratization, adding that the purpose of this law is to allow citizens and foreigners entitled to vote to exercise that right, thus expressing the will of the nation. The minister announced that the Director of the Electoral Registry will be appointed by the president of the nation, and that the appointee will likely be the man who held that post before 11 September 1973. The minister finally said that the electoral institutions will serve the citizenry free of charge, and added that the government's will is to have these institutions installed before the 5-month period established by the law.

PRESIDENT BARCO DELIVERS INAUGURAL ADDRESS

PA080107 Bogota Television Service in Spanish 2142 GMT 7 Aug 86

[Inaugural address by President Virgilio Barco Vargas at the Elliptical Room of the Capitol Building in Bogota -- live]

[Text] President of the National Congress; President of the Chamber of Representatives; gentlemen Congressmen; Your Excellencies Presidents of Honduras, El Salvador, Uruguay, Venezuela, and Costa Rica; former Colombian Presidents; Your Eminence Msgr Alfonso Lopez Trujillo; Your Excellencies gentlemen Prime Ministers; gentlemen Vice Presidents; Apostolic Nuncio; OAS Secretary General; heads of special missions; President of the Supreme Court of Justice; President of the State Council; President of the Disciplinary Tribunal: Armed Forces General Commanders; ladies and gentlemen:

Since the beginning of recorded history, we have seen that social groups have always surrounded those main events that will determine their future with solemn ceremonies. This is one such occasion. It has become a tradition for the new president to stand in this hall and explain how he plans to rule. It is not an easy task.

Throughout a long campaign, from the big cities to the small villages, walking along all the paths, speaking before men and women, peasants and workers, businessmen and industralists, before the people in general, I stated my party's ideas which I share. The people heard these ideas with serene hope and without vain illusions. These ideas generated strong and total support.

A ruler's first duty is to maintain the integrity of his territory and defend his sovereignty. Colombia has never been an expansionist country. Colombia has always resolved its international differences through understanding. It has never attacked anyone, nor does it have huge arsenals that could awaken doubts or mistrust regarding its authentic peaceful nature. [applause] Colombia's tradition has been one of support for the international organizations, and it abides by the laws that govern nations. We have contributed to the creation, development, and improvement of the OAS and the United Nations. We have always encouraged the desire for regional and subregional integration.

The principles of nonintervention, self-determination, and peaceful solutions to controversies among states have always inspired our international behavior. Devoid of any intentions of unlawful intervention, we have put forth our best offices when the friendly nations, whose autonomy we respect and whose tranquility and democratic development we encourage, have so requested. My government does not seek to change this conduct.

Our foreign policy has been one of maintaining friendly relations with all the countries. This must be based on mutual respect for dignity, independence, and sovereignty. We view nonalignment as an element of balance within the international system and of open dialogue among the industrialized and developing countries. The interests of Colombia are more important than any emotional or circumstantial issue.

Drug trafficking and terrorism, serious crimes against mankind, are the main concern of every nation. For this reason, we will continue to cooperate with the efforts being made by the community of nations to save our civilization from their perverse effects. Strengthening ties of friendship with our neighbors, maintaining our relations with all the Caribbean nations, and encouraging closer ties in the Pacific area are priority issues on our international agenda.

Venezuela and Colombia are natural allies. What unites us is worth more, much more, than what separates us. Lack of understanding not only impoverishes the people who live along the border but our two peoples. I will try to reach a just and feasible agreement to outline our marine and submarine areas. We have achieved this with countries to which we are united by historic ties of friendship, including Ecuador, Panama, the Dominican Republic, Haiti, Costa Rica, and only recently with Honduras.

International economic relations will be in harmony with our goals for progress and welfare. The foreign policy of the government that begins today will be based on our best traditions; on the basis of a great national consensus in an attempt to protect the superior interests of the homeland.

My ceaseless task will be to protect the lives, honor, and property of all the people in the country. This is not an intention, but an obligation that is imposed on all authorities. I must add that it falls to me to preserve liberty, seek peace, promote change, and support equality. I know that these noble concepts constitute ideals which will never be completely fulfilled in a dissatisfied world. However, these ideals must be the goal of the government's permanent work.

I must establish beforehand a complete course of government action because, in an era of uncertainty and instability, the adotpion of dogmatic plans would limit the country to rigid patterns and would inevitably lead it to dissillusionment and disaster. A government should have firmly established goals, but it should be flexible in its manner of achieving them.

In our conflictive political history, in which there have been situations that have contributed to the modeling of our two parties, we have experienced difficult confrontations. We have had declared and undeclared civil wars resulting from the absolute predominance of one party. We went through provisional phases of conciliation until we arrived at an innovative solution: the National Front.

The system that reestablished political parties after a period during which they were practically abolished is the product of pacts that have led to a transitory constitutional solution. Constitutional rigidity disappeared; it was replaced by a law that limits the president's powers in forming a government. Various insistent political sectors, which are the expression of an almost unanimous collective will, demand that this law be abolished so full democracy can be implemented. I share this position. I have expressed this [applause] and the nation knows it. [applause]

During the past 30 years, society has been transformed. Generations have passed and with them our ways of life and the country's very structure. Nothing has escaped change. The country of today is not the country of yesterday. How then, can we expect the continuation of a precept that restricts the full exercise of democracy and that was only justified during one phase of our history?

As president I must abide by the current constitutional law in letter and spirit. That is why the decree in which I designate the cabinet ministers will give adequate and equal participation to the party that came in second to the president's party in votes, despite the statement issued by the Conservative National Directorate. [applause]

Because the Constitution allows it, I intend to organize a government with a national spirit that will execute the Liberal program that served as a platform so that the people could freely and democratically elect me to govern the country during the next quadrennium. [applause] The decision to cooperate or not in the execution of this task, which is also stated in the Constitution, falls to the Conservative Party. [applause]. Democracy offers the possibility, when there is a system of two predominant parties, of one party being the government and the other the opposition, the alternative. This gives a country the option to choose, to correct the path, to make the government responsible for change, because in democracy there are no irreversible situations.

The decision regarding the existence of an opposition party does not fall to me. However, if the Conservative Party or any other political force decides to take the path of opposition, provided they act within constitutional and legal limits, the government will guarantee the exercise of this role, this basic right. [applause, shouts]

Democracy shuns hegemonism, and the ruling party cannot arrogate the power to dominate society's whole life. Discussion, diversity, and conflict are part of its essence. It recognizes and even encourages them sometimes, or denies or thwarts them. Democracy derives its dynamism from them. They are legitimate. What democracy offers is the procedures to handle, in an atmosphere of coexistence, the different aspirations and disagreements.

In a democracy, a party is given the task of governing and guiding the country but the administration is not and cannot be the prize of a single party in a democracy. [applause] Serving the state at this post is a right and an opportunity to which all able-bodied citizens must have access, regardless of party affiliation, opinions, class, race, or religious creed. [applause] This is the framework -- a government with a partisan orientation, an administration devoid of exclusivity and open to all, and one and the other -- the government and the administration -- devoted to strictly and honestly serving the nation. [applause]

The process of perfecting our democracy must go even deeper, and this will be achieved through broader participation by the citizens. My government will promote legislation aimed at regulating the election of mayors as well as the popular consultations at the municipal level. [applause] It will also promote the creation of a national district [circunscription] to allow the minorities to obtain adequate representation in the congress of the republic. [applause]

I also feel that the institution of the state of siege must be reformulated through the introduction of intermediate and gradual constitutional mechanisms to make it possible to address various situations of turmoil. The state of siege, which is an extreme and exceptional remedy, must be reserved for instances of great commotion. [applause]

The government will (?promote) these and other similar reforms whether they stem from the initiative of the legislator or from its own initiative. With its substantial reforms, the constitution has become the body of rules that relies on the compliance of the nation. Rather than being the subject of hasty amendments, it must be the subject of an interpretation adhering to social change by the judges and the government. The country hopes that its needs will be met and the government's work will be made effective on the basis of these fundamental tenets. This is a time for achievements, not for theoretical disputes. [applause]

In the political sphere, it behooves Congress to enact measures leading to general well-being, to correct the pitfalls of our organization, and to provide the resources for a correct administration. I will submit to its decisions and judgment. I will only ask for authority or make strict use of exceptional means to consolidate our institutions, to overcome crises, and to promote change. [applause]

My government will not look for excuses to avoid fulfilling the commitments I undertook as a candidate. I will not reach compromises over and above the wishes of the electors and will not conclude leaders' agreements on the basis of an alleged consensus to avoid complying with people's will. [applause]

My government will promote discourse. It will stimulate debate and will only seek agreements that faithfully adhere to the people's madate. [applause] I have received that mandate as president. The congressmen also have a mandate. In the [congressional] chambers are represented our traditional parties and a new political force -- the Patriotic Union. We salute its presence. [applause]

These events attest to and confirm the validity of our democratic institutions which, through free elections as in March and May, allowed us to express our political disagreements. That sense of democracy has entered the consciences of all Colombians. [applause]

During two elections, that same enthusiastic and unarmed people, after a vigorous and long campaign -- and later, also in a resounding manner during the pastoral visitor of His Holiness Pope John Paul II -- gave ample proof of their civic nature and their deep-seated and express desire to live in peace and to be allowed to live in peace. [long applause]

Let us look at the nation. We are a country of vast areas, fertile lands, diverse climates, varied production, great natural resources, and serious and enterprising people. Nevertheless, we have inherited long-stnading problems and are facing new needs and challenges. The per capita income which had been growing for several decades has fallen below 1982 levels. To make matters worse, unequal distribution of income has increased. Public expenditures have been chiefly earmarked for operational activities and excessive investments have been made in sectors of doubtful social and economic profitablity.

The fiscal deficit has reached alarming proportions for the next budget. The trend of excessive growth in public expenditures has continued, but it has not brought social benefits. The inordinate increase in modes of payments [medios de pago] is threatening to unleash again the inflationary spiral. The government will have to make a deep commitment to adopt the appropriate corrective measures. Despite its efforts to get reorganized, the financial sector is in a slump. The foreign debt is approaching worrisome levels. In the decentralized sector, the lack of liquidity and the indebtedness are also reaching alarming figures.

Like other societies, ours is made up of groups whose standards of living vary. However, in our case we have reached a critical situation because huge sectors of the population are excluded from the most elementary benefits such as nutrition, drinking water, health, work, and leisure. They suffer extreme poverty. These groups are deprived of the advantages of life in a society. [applause]

Such discrepancies mandate a treatment not only based on humanitarian feelings or on appeals of the loftiest spiritual nature, but also based on the state's raison d'etre and the preservation of society. The real wages of Colombian workers have decreased. Working conditions and wages have deteriorated. The scourge of unemployment, which exists in even the most developed nations, is weighing heavily on us. The governments of these nations recognize the failure of all the strategies that have been devised to create new sources of employment. For us, along with the eradication of absolute poverty, this is one of the great challenges we must face. Unemployment has now reached its highest level in the past 50 years and is especially hitting Colombian youths and professionals. [applause]

The adjustment policy, for all its severity, fell almost exclusively on the most vulnerable sectors of the people. Therefore, this strategy cannot continue to be implemented. [applause] Public expenditures will be reoriented toward social areas, the production of food, nutrition, health, housing, drinking water, access roads, and elementary education, chiefly in rural and outlying areas. [applause]

We shall implement an emergency program to increase employment, which will require the support of employers and workers for those in need. Government resources channeled to sectors generating employment and promoting social welfare programs previously mentioned here, will help resolve the situation of those living in absolute poverty. In order to make these programs possible, we need a new tax system, which the government will present to Congress. We will seek to even out the burden and to create the proper conditions for investment and for prosperity. We will also propose new budget and public spending statutes so that our budget policy can be an instrument for the proper use of government resources. Coffee income geared to guarantee profits for growers, should also be used to meet the needs of communities. [applause]

Oil revenues, which result from a great collective effort, will be used for purposes beyond the immediate benefit of that sector. Since housing is a necessity and since the construction sector is a source of employment, we must introduce legislation that will allow public institutions to purchase lands to build housing units with access to public services and transportation. This will be done.

If an urban reform is unavoidable, so is agrarian reform. Not having access to land deprives thousands of peasant families of a proper income and creates situations of violence. We must create speedy and equitable procedures for the expropriation and distribution of land that will allow us to fulfill this old and permanent wish. At the same time, we must implement the most important technological advances to modernize and stimulate the rural sector. It is important to incorporate new lands into our economic activity. We have much fertile land, but much of it remains unexploited. The construction of roads and control of our waters are projects that must be undertaken in order to expand the promising agricultural future of Colombia. [applause]

We must explore, use our imagination, be willing to take chances, but we will also need a great effort on the part of our society. The first demand is the strengthening of civil order. This is the problem of public order.

Despite our problems, our state is a constitutional one. In this state, peoples of all leanings -- those who are strongly attached to the past and those who wish to introduce radical changes -- can live together. The basis for co-existence is respect of the law even when important changes are sought. For this reason, the institutions must be valid, or recover their validity if it has been lost.

If we all work within the law; if we behave in accordance with the Constitution; if we discuss our problems in a political manner; if we resolve our conflicts, complaints, and controversies, by using the judicial institutions; if we commit ourselves to undertake an authentic and vigorous social, political, and economic change; if we work with patriotism, sincerity, and honesty; then we will be able to recover the path of harmony of a civilized society.

When the operation of an institution is hindered, when co-existence among the citizens is broken, the search for that reestablishment and reconciliation must be the first and permanent task of the state. The government must always be willing to examine new viewpoints and proposals. Our desire for reconciliation must continue to be based on clear and institutional guidelines, precisely because we are trying to recover our normalcy and re-establish co-existence in Colombia. [applause] We must draft a plan to allow for the reincorporation of those who chose the path of armed subversion. This plan must allow them to join a full civilian life within a secure framework so they may practice, as citizens, their social, political, economic, and cultural rights -- the same rights possessed by millions upon millions of Colombians who have lived in peace and who prefer to live in peace. [applause]

To turn this viewpoint into a reality, to consolidate what has been achieved, and to move ahead, we will create an organization that will be directly below the president of the republic, to guide and coordinate the political, social, and economic plans that will contribute to the normalization and promote the rehabilitation of the zones and people beset by violence. To achieve this we must spare no effort or expense.

The judges have an important role in this plan. Anyone who violates the law, who breaks the institutional rules must receive the appropriate punishment. Peace and co-existence are based on efficient, impartial, and prompt justice. The state must always give the judges, and more so under these special circumstances when their work becomes more important, the necessary instruments to efficiently and safely perform their duties.

To achieve these goals the government will, first of all, gurantee the independence of the judges. We must surround them with dignity, protect them, and ensure their efficiency. This government will guarantee this with the necessary budget.

Society has placed the responsibility for protecting public order on the president and the Armed Forces. It is an unavoidable task and the very reason for the existence of the state. If the president and the Armed Forces do not fulfill their duties, the people begin to feel that their rights and interests are endangered. When this occurs the people tend to take justice into their own hands and this kind of private justice is unacceptable.

Within this framework, the state and its armed branch must strictly abide by the Constitution, strongly abide by the law, and respect the rights of the people. Apparently, the state, the Armed Forces, and the government are at a disadvantage. Those who choose rebellion and choose the deadly path of terrorism are violating essential rights: the rights to life, property, and safety. The state cannot use this method. If it does, it loses its legitimacy, its moral distinction, and the support of the people who, in peace or war, are the main elements for the permanent and serene practice of authority. [applause]

Within these concepts, the Armed Forces and the president of the Republic -- entrusted with the enforcement of the Constitution to protect public order throughout the country -- will guarantee the implementation of the laws that protect all Colombians.

The mission of the civilian authority, supported when it becomes necessary by the Armed Forces, is to defend the rights of the people and demand that the constitution be respected. The legitimate use of force is accepted by the people. However, the arbitrary use of force is rejected and leads to violence. [applause]

I invite institutions, parties, people, groups, and organizations to help in the task of incorporating everyone into civilian life and institutional normalcy. This is a united effort involving all Colombians. It is not a lonely effort of the government. We must all make a commitment to our historical responsibility.

The main beneficiaries of that government effort will be the most needy and the most backward regions. Today, more so than in the past, society is split by profound divisions. There are many people who lack almost all essential things.

If our society wants to preserve its values and even its own existence, it must focus the state's main action on creating less bitter conditions for Colombians. Those who seek privileges will gain nothing by building walls around themselves, isolating themselves, wanting no part of the fate of their own compatriots, placing obstacles to changes, and obstructing reforms. The authority will not be a guardian of aberrant inequalities and unnecessary established advantages. [applause]

Extreme poverty cannot be accepted as an unavoidable consequence of natural inequalities among men, much less as a characteristic inherent in backward societies besieged by destitution. At the end of the 20th century, Colombia will not insist on formulas proven to be inefficient.

The presence of several heads of state and representatives of friendly governments encourages me to urge Latin Americans, with the solidarity of other countries, to tackle the great battle against poverty. This will be a priority topic in regional, bilateral, and multilateral discussions during my administration.

I am convinced that for those of us who have been given the responsibility to rule in the upcoming years, the great challenge is to overcome the obstacles that poverty has placed before us. I know that neither the country nor I are facing an easy task. There is an unfavorable situation today in the economic and fiscal sectors, and even in institutional organization.

If there is much to be reconstructed, we will reconstruct. There are no models to imitate. We must resort to our own resources and our own imagination. [applause]

The time has come to practice new and bold innovations. The path that we have traveled along as a nation, which has been long and at times painful, stands as an example. We have had defeats, but we have always overcome them. We must maintain our memory and our faith -- memory to remember with pride where we have been and faith to move forward. [applause]

Our reference point cannot be our frustrations. Strengthened and encouraged by what we have done and achieved, we must look to our future with hope. I have asked the people, and I wish to do so again, to actively participate in the country's public life. This is not, as many fear, a call to disorder. Quite the contrary, I have great confidence in my people. That is why I demand that you act orderly in defense of your own interests. [applause]

We must have trust. Peoples and men are only defeated when they accept defeat beforehand. That is not what our history shows; that is not our character. United, the nation will achieve its objectives to bring changes and transformations that cannot wait. It is my duty to promote this strongly; others will have to continue this. If we do this, our generation and the young people who will replace us will enjoy a just and equitable lifestyle that will be accepted by all, not with apathy and resignation, but with optimism and enthusiasm. [applause]

These are my objectives. Like all state officials, the president is also asked to swear that he will fulfill his duties in the name of the benefactor God of us all, and I have done so before the Congress of the republic, which is the legitimate representative of the people. I hope that God and my compatriots will accompany me in this task. [applause]

Names Cabinet Members

PA080300 Bogota Television Service in Spanish 0212 GMT 8 Aug 86

[Decree No 2576 issued by the government of President Virgilio Barco; read by an unidentified official from the Narino Presidential Palace Protocol Room -- live]

[Text] Article 1: The following are to be appointed ministers of the Executive Office:

Government:	Fernando Cepeda Ulloa
Foreign Relations:	Julio Londono Paredes
Justice:	Eduardo Suescun Monroy
Finance and public credit:	Cesar Gaviria Trujillo
National defense:	Rafael Samudio Molina
Agriculture:	Jose Fernando Botero Ochoa
Labor and social security:	Jose Name Teran
Health:	Ignacio Velez Escobar
Economic development:	Mario Calderon Rivera
Mines and energy:	Guillermo Perry Rubio
National education:	Marina Uribe de Eusse
Communications:	William Fadul Vergara
Public Works and Transport:	Luis Fernando Jaramillo Correa

Article 2: German Montoya Velez is appointed secretary general and chief of the Administrative Department of the Presidency of the Republic to replace Dr Victor G. Ricardo, whose resignation is accepted.

Article 3: The present decree is valid beginning on the date of its publication.
To be released, published, and enforced.
Issued in Bogota on 7 August 1986

[Signed] Virgilio Barco, president of the Republic of Colombia

VISITING PRESIDENTS BACK STRENGTHENED DEMOCRACY

PA071845 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 7 Aug 86

[By Jose Domingo Bernal]

[Text] In Bogota, the presidents of Venezuela, El Salvador, Honduras, Uruguay, Costa Rica and Colombia have called for the strengthening of democracy in Latin America and taking joint action to resolve problems generated by the foreign debt. The presidents, who received the proposal for the institutionalization of the Latin American parliament, agreed there will not be peace without democracy and there will not be economic development without peace.

Venezuelan President Jaime Lusinchi said that Latin American problems will be resolved only when there is true political and economic integration.

Salvadoran President Jose Napoleon Duarte said he had come to Colombia to greet peace advocate Belisario Bentancur and the new Colombian president, who will undoubtedly make efforts to strengthen democracy.

Honduran President Jose Azcona Hoyo insisted that Latin American countries have been victimized in the past few years by unjust trade policies of the developed nations.

Uruguayan President Julio Maria Sanguinetti praised the administration of President Betancur, which ends today. He was obliged to face difficult times, but rose to the occasion and to the nature of the fatherland's history, Sanguinetti said.

Finally, Costa Rican President Oscar Arias Sanchez described Costa Rica as a paradigm of freedom and an oasis of peace in conflict-ridden Central America.

BRIEFS

DRUGS SEIZED -- In Magadelena Department, narcotics police have seized 10 kg of cocaine and 109 bundles of marijuana. The confiscation took place at the Frisco Farm in Fundacion. [Summary] [Bogota Television Service in Spanish 0000 GMT 5 Aug 86 PA]

TERAN SIGNS DECLARATION WITH BRAZIL'S SODRE

PA061247 Quito Radio Quito in Spanish 2300 GMT 5 Aug 86

[Excerpts] On 5 August the foreign ministers of Ecuador and Brazil Edgar Teran Teran and Roberto de Abreu Sodre, respectively, signed a joint declaration on cooperation and trade that deals with bilateral issues.

During the ceremony, the Ecuadoran foreign minister stressed the importance of the declaration, because it reflects common views on the principles of international coexistence and Latin American problems. Minister Teran also reiterated the traditional friendship ties that have always joined Ecuador with Brazil. [passage omitted]

Meanwhile, Brazilian Foreign Minister Roberto de Abreu Sodre expressed his satisfaction with signing the declaration and thanked the Ecuadoran people and Government for their favorable reception. He said that the issues which inspired the document reflect the feeling of the two peoples, because it contains important issues of common interest. He also stressed the usefulness and efficiency of periodic joint declarations, saying they give continuity to a dialogue that is always beneficial. [passage omitted]

ESPINOSA ANNOUNCES OIL PRODUCTION DECREASE

PA071537 Quito Voz de los Andes in Spanish 1130 GMT 7 Aug 86

[Text] The Ecuadoran Government is willing to substantially reduce its oil production to abide by the OPEC resolution, Energy and Mines Minister Javier Espinosa has announced. The minister arrived yesterday in Quito after attending the special OPEC conference that concluded at 1800 on Tuesday in Geneva.

Ecuador will continue to cooperate with all available means so that OPEC will be able to reach a permanent agreement on production quotas and price structure at its next meeting, to be held in 2 months, Espinosa added. The agreement will be in effect as of 1 September for 2 months, but a new ministerial conference will be held on 6 October to evaluate the market and to decide on furture strategy, Espinosa said. He added that OPEC is trying to release its members from having to follow the forces of the market. To achieve this, an effort will also be made so that members selling through the (?lease back) formula give up this system, as it has also had an influence in reducing prices.

COLORADO PARTY EXECUTIVE BOARD SUSPENDS SESSION

PY080138 Paris AFP in Spanish 0300 GMT 7 Aug 86

[Excerpt] Asuncion, 6 Aug (AFP) -- Carlos Romero [Pereira] Arza, the Colorado Party rebel and visible head of a democratizing movement within the ruling Colorado Party, is running the risk of being disciplined by the party leaders for having accused the present regime in Paraguay of using the party for its personal ends.

The party's Executive Board tonight abruptly suspended its ordinary session at which the Stroessnerist wing had planned to present a petition to discipline Romero for the statements he made in a panel called: Is Democracy Possible in Paraguay?

The Colorado Party rebel called for a new society with the exclusion of corrupt people and political delinquents, at a forum to discuss democracy held on 2 August with the participation of Humberto Rubin, manager of the combative Radio Nanduti, and Fernando Vera, head of the Febrerista Revolutionary Party (PRF) which abstains from national elections.

Romero Pereira Arza, son of former Paraguayan President Tomas Romero Pereira, who in 1954 handed over power to General Alfreso Stroessner, entered the political scene in 1985 questioning the political and administrative corruption reigning in Paraguay. [passage omitted]

RADIO NETHERLANDS REPORTER DETAINED IN INTERIOR

PY021824 Asuncion HOY in Spanish 2 Aug 86 p 8

[Text] Jan Thielen, a Radio Netherlands reporter was detained yesterday morning along with officials from the Committee of Churches at a place called Vaqueria in the Yhu region. It is reported that Thielen had been in this country for a few days and that he went to the Yhu region to learn about the situation of the numerous peasants who have land ownership problems there.

Our source reported that the European reporter was released last night, but that he must appear again at the local police station at 0700 today.

REPAYMENT OF DEBT IN KIND UNDER CONSIDERATION

PY071133 Madrid EFE in Spanish 0402 GMT 6 Aug 86

[Text] Lima, 5 Aug (EFE) -- Deputy Economy Minister Gustavo Saberbein today said that Peru might repay 33 percent of the debt it owes to U.S. and European banks and financial agencies in kind. He explained that this formula would thus affect $33 out of each $100 owed to the banks.

The official added that the formula was proposed by the banks and agencies.

Saberbein noted that Peru knows that its debt amounts to $14 billion but cannot repay it. He remarked that Peru will repay it only partially, within its possibilities, and without hampering its development.

Peru has already announced that it will be unable to pay $180 million to the IMF on 15 August and that it will make a symbolic payment even if it is declared ineligible to receive new loans.

Saberbein said that the IMF "is very likely" to declare Peru ineligible. "This does not depend on us, and the greatest danger is that our creditors may fail to understand the situation because they do not take into account what the government has achieved in its first year in power," he added.

Among the achievements of the APRA [American Popular Revolutionary Alliance] social democratic government, Saberbein mentioned the cancellation of short-term bank loans, the inflation rate drop, the substantial fiscal deficit reduction, and the struggle against drug trafficking and terrorism, which are the main issues in the crisis that the country is experiencing.

He added that the GDP have already grown by 6 percent this year and that the annual GDP growth will reach 7.2 percent if the current trend continues.

Saberbein also announced that the financial market has been divided into two areas and that bank operations have returned to normal, adding that under the two-market system each U.S. dollar sells at 17.4 intis, Peru's currency. This exchange rate will be exclusively for tourists. He explained that there is a strong depression in the tourist market and that efforts must be made to prevent abrupt changes. However, the other sectors of the financial market will continue to operate as usual, that is, the market will continue to supply currency for remittances abroad, he added.

Saberbein said the exchange market has operated normally after the government closed it between 27 and 30 July to prevent speculation caused by the rumors circulating before the speech Garcia delivered on 28 July. The rumors said that the president would announce a devaluation, but no devaluation was decreed. In addition, it was announced that the exchange rate will remain unchanged until the end of the year.

However, the government announced several restrictions on remittances abroad, among them a 2-year suspension of profit remittances and other similar measures.

WARNKE ENDS VISITS, GRANTS PRESS CONFERENCE

PY072303 Paris AFP in Spanish 2348 GMT 6 Aug 86

[Text] Lima, 6 Aug (AFP) -- FRG Economic Cooperation Minister Jurgen Warnke stated today, at the end of an official 4-day visit to Peru, that his country understands the Peruvian decision to pay its foreign debt with 10 percent of its exports.

In a news conference granted before leaving for Caracas, Warnke stated that he and President Alan Garcia had ample discussions on Peru's economic difficulties and that the two agreed on the fact that development can be achieved with the cooperation of private enterprises.

In a meeting 2 days ago, Warnke gave Garcia an invitation from FRG Chancellor Helmut Khol to visit the FRG.

Among other considerations, he said that the invitation is to stress the friendship existing between the two nations, now that Peru is consolidating its position against a situation of violence, with terrorism being one of the toughest problems.

Warnke said that his country's police could grant technical assistance to the Peruvian police on matters related to terrorism, drug trafficking, and other activities dealing with repressing crime.

Warnke said that Peruvian debt to the FRG amounts to $273 million: $173 million with private creditors and the balance with the government. The government credits were granted under very soft conditions to give priority attention to cooperation for development.

INTERIOR MINISTER ON POLICE STOPPAGE, SUBVERSION

PY072023 Lima Television Peruana Network in Spanish 0100 GMT 7 Aug 86

[Interview with Interior Minister Abel Salinas by unidentified reporters; date and place not given -- recorded]

[Text] [Salinas] Some pamphlets threatening strikes and stoppages and alleging irregularities have been appearing lately. But, as you will have realized, no strike or stoppage have been staged so far. Very much the opposite, we are receiving greater support from within the police institutions in response to our efforts to improve their efficiency. This support comes from all levels. from officers and from the lower ranks. Naturally, irregularities do occur, but as soon as a charge is made, we immediately investigate it.

[Reporter] But if a stoppage occurred, what protection could be offered to the people?

[Salinas] I think that we have no reason to believe that there will be a stoppage. I can clearly and confidently say that there will be no stoppage. The people may rest assured that the police will continue to protect them.

[Reporter] Mr Minister, do you think, based on the performance of the police forces, that the state of emergency might be suspended at any time for the municipal elections?

[Salinas] The state of emergency does not depend solely on the performance of the police forces. It is not exclusively a police problem. It is a problem, which in one way or another, involves all of us in safeguarding order and tranquility under the law and the norms of modern community life. It will be, therefore, a political decision to suspend the state of emergency [words indistinct].

[Reporter] What is your opinion on [words indistinct] by the police forces, has it been successful? What is your opinion on this matter?

[Salinas] I believe that, without losing the national perspective in the problem of subversion, the situation is being well controlled. As you may have observed, the most recent acts were not as savage as they used to be. The number of attacks remains practically the same, while the amount of damage has declined.

[Reporter] Mr Minister, will the government's current antisubversive policy be maintained?

[Salinas] Of course, the antisubversive policy constantly being reviewed and readjusted according to circumstances, and we are now taking the initiative in the antisubversive struggle. As President Garcia announced in Congress, the regionalization, the autonomy, and responsibilities of each of the announced regions will be increased in a great effort to demonstrate to the country, as well to its people, that only with their cooperation can the existing problems be overcome.

SAN JUAN BAUTISTA MAYOR SHOT IN AYACUCHO

PY071757 Paris AFP in Spanish 1741 GMT 7 GMT 7 Jul 86

[Text] Ayacucho, 7 Aug (AFP) -- The police reported today that Shining Path terrorists today killed Braulio Zago Pariona, mayor of San Juan Bautista district of Ayacucho and a leader of the ruling American Popular Revolutionary Alliance [APRA]. This is the most serious attack to take place in this southeastern Peruvian city since President Alan Garcia's administration took over.

Zaga, 52, a dental surgeon and the father of eight, was attacked by two individuals who machinegunned him at point-blank range and fled, according to Zaga's widow Aida Bendezu, who witnessed the attack.

According to authorities the attack took place at approximately 1300 GMT today at a small square 4 blocks from the main plaza of Ayacucho, the foremost stronghold of the Shining Path in Peru.

Civil Guards Killed in Lima

PY072042 Madrid EFE in Spanish 1427 GMT 7 Aug 86

[Text] Lima, 7 Aug (EFE) -- Two Civil Guards were murdered this morning by two individuals in a Lima bus while going to work.

The two guards were shot dead by two presumed terrorists who were riding the same bus.

The crime was committed when the bus was at an intersection in downtown Lima, at 0600.

The bodies of the two guards, whose names have not yet been revealed, were taken to the police hospital where their deaths were confirmed.

GROUP OF SIX ISSUES MEXICO DECLARATION

FL071927 Mexico City NOTIMEX in Spanish 1821 GMT 7 Aug 86

[By Eduardo Gonzalez, special correspondent]

[Text] Ixtapa-Zihuatanejo, 7 Aug (NOTIMEX) -- In the Mexico Declaration, Group of Six leaders today urged U.S. and Soviet leaders to reach an agreement and end anti-satellite arms tests and offered to participate with the superpowers in verification mechanisms aimed at ending nuclear tests.

At the end of their second summit meeting, the political leaders of Argentina, Greece, India, Mexico, Sweden, and Tanzania said the improvement of anti-satellite weapons threatens a number of agreements on arms limitatioms and disarmament.

The Mexico Declaration, signed by Presidents Raul Alfonsin and Miguel de la Madrid, Prime Ministers Rajiv Gandhi, Andreas Papandreou, and Ingvar Carlsson, as well as by Tanzania's former President Julius Nyerere notes that existing treaties which safeguard space for peaceful uses as well as the 1972 Anti-Ballistic Missiles Limitations Systems Treaty should be fully respected, reinforced, and broadened.

They reiterated the request to avoid the arms race in space inasmuch as, the Mexico Declaration indicates, space belongs to humankind. As beneficiaries of this common heritage, we oppose the improper use of space, they said.

The Mexico summit document also states that for the last 4 decades states with nuclear weapons have had the almost exclusive responsibility of ending the nuclear arms race, while the rest of the world has been excluded.

The leaders of the Group of Six categorically stated that it is still possible to save from war a world that has fallen into the habit of weapons and more and more arsenals, and said the time has come to put an end to it.

The Group of Six offered the superpowers their participation in verification mechanisms to end nuclear tests and said these measures could strengthen the confidence in a U.S. -Soviet moratorium and would be an important step toward implementing a total ban of nuclear tests. The measures could include the establishment of temporary vigilance stations in existing testing sites; arrangements could be made to use the stations in the United States and the Soviet Union to watch their territories away from testing sites, as well as inspecting big chemical explosions. Likewise, they proposed meetings with experts from the Group of Six and the superpowers aimed at examining the way of putting into practice and analysing other possible measures that will facilitate the verification of nuclear testing ban.

At the end of the Declaration, the Group of Six leaders urged the peoples, parliaments, and governments of the entire world to actively support this call, inasmuch as each individual has the right for peace and the duty to make efforts in achieving it.

They said the peoples of the world, together or individually, could not erase from the public's mind the Hiroshima and Nagasaki tragedies, but together we can and should erase from our future the horror that is threatening us.

DELHI ON GANDHI'S VISIT, IXTAPA SUMMIT

BK08C437 Delhi Domestic Service in English 0240 GMT 8 Aug 86

[Text] Addressing the concluding session [of the Group of Six summit at Ixtapa] the prime minister, Mr Rajiv Gandhi, urged the two superpowers to subscribe to a binding obligation on elimination of nuclear weapons and accept the six-nation proposal for verification of a moratorium on nuclear weapon test. Mr Gandhi said that nuclear weapons are a crime against humanity and must be banned. The prime minister said: If nuclear weapons denote the world's death wish, the six nations' movement represents humanity's will to survive. He regretted that the nuclear tests are still continuing. About outer space, he said it is a common heritage of all mankind. We cannot acquiesce to its privatization, certainly not for destroying the earth.

Mr Rajiv Gandhi has since arrived in Mexico City on official visit to the country. At the airport, he was received among others by the Mexican foreign minister, Mr Bernando Sepulveda. Shortly after his arrival, Mr GAndhi called on President Miguel de la Madrid.

Speaking at a banquet hosted by the Mexican president, Mr Rajiv Gandhi expressed the importance of increasing South-South cooperation. We would like to see the setting up of information grids that will enable entrepreneurs from countries of the areas to know one another and share the experience and expertise, he said.

Earlier, addressing a joint press conference in Ixtapa, Mr Rajiv Gandhi made it clear that India had no intention to make nuclear weapons. The Swedish prime minister, Mr Ingvar Carlsson, said the six-nation campaign will be intensified in the coming days to mobilize a strong public opinion in favor of nuclear disarmament.

PEMEX TO INCREASE COOPERATION WITH INDIA

FL071452 Mexico City NOTIMEX in Spanish 0103 GMT 7 Aug 86

[Excerpts] Mexico City, 6 Aug (NOTIMEX) -- Mexico and India will increase bilateral cooperation concerning oil technology as a result of a meeting held between Pemex Director Mario Ramon Beteta and his Indian counterpart, G.B. Ramakrishna. [passage omitted]

Beteta told his guest that Indian personnel could be trained at the Mexican Petroleum Institute and at Pemex installations. Ramakrishna agreed with Beteta and reported that his country imports 30 percent of its oil.

SALVADOR'S DUARTE TRANSITS; NO OFFICIAL WELCOME

PA070414 Panama City Televisora Nacional in Spanish 0000 GMT 7 Aug 86

[Text] Salvadoran President Jose Napoleon Duarte made a service stop here last night. He left today for Colombia to attend the inauguration of President-elect Virgilio Barco. Those present were very surprised that neither his fellow Christian Democrats nor Foreign Minister Jorge Abadia Arias were there to greet him.

President Duarte noted during an exclusive interview that the topic of Central America may be discussed during the event in Colombia.

[Begin Duarte recording] No meeting has been specifically scheduled for this, but some activities have been scheduled, including informal meetings and a dinner the president will give in our honor. We will probably meet and discuss the topics of Latin America, the monetary issue, the foreign debt, Central America's problems, the effects of the problem of communism in the area, and the problem of terrorism. That is to say, there are so many things to talk about each time we presidents get together, it is worthwhile for us to exchange views about them. [end recording]

DELVALLE DISCUSSES BANKING SECRECY ISSUE

PA071815 Panama City MATUTINO in Spanish 7 Aug 86 pp 1-A, 8-A

[Communique issued by the Press and Information Secretariat of the Presidency; no date given]

[Text] In view of the ill-intended rumors circulating which state that agreements might be signed that would affect banking secrecy, the Press and Information Secretariat of the Presidency of the Republic hereby notes, as a definite reply, a statement made on 30 July by President Eric Arturo Delvalle before the Panamanian Banking Association:

"Confidentiality is a right provided by special laws that are recognized by jurisprudence and incorporated in banking practice and business usage; it is protected by penal law. It is a right that protects multinational corporations, local investors, professionals, and small businessmen.

"Confidentiality is part of our juridical institutions. It is not a sudden thing or a brief article in some legal text. Confidentiality is born and grows with the Republic. It is found in all and each of our institutions. As do all rights, confidentiality entails a duty. To make use of confidentiality, one must make good use of it. Otherwise, the right of confidentiality should be restricted by the application of measures which are provided for in our juridical system to conduct investigations of all illegal acts, should there be any."

Guillermo Antonio Adames, press and information secretary of the Presidency of the Republic.

BELIZE

ESQUIVEL'S VISIT TO ISRAEL CALLED 'ILL-ADVISED'

FL072331 Belize City THE BELIZE TIMES in English 3 Aug 86 p 5

["Bottomline" article]

[Text] The visit to Israel by our prime minister [Manuel Esquivel] was ill-advised and could not have been made at a worse time. Coming before talks with Guatemala begin and before the United Nations General Assembly opens in September could mean trouble for Belize.

The situation at the UN, as regards to Belize, is already strained. Belize finds itself increasingly isolated in the UN when it comes to an issue that is dear to the hearts of all Latin Americans -- the issue of the Falkland Islands or Malvinas. The Latin Americans will be able to carry many Caribbean nations and indeed many Commonwealth African nations with them when the question is voted upon.

So that Latin America is seeing Belize as a sort of odd-man out.

By courting a kind of special relationship with Israel, by cosying up to Israel Belize might pay a price much bigger than any benefit it could get from Israel.

The Arab world monitors all visits of heads of government to the state of Israel. If the Arabs interpret this official visit by the prime minister of Belize as a special bilateral relationship we could find ourselves isolated not only in Latin America but also among the Arab countries.

When it comes to the policy to be adopted one would prefer a neutral or open-handed policy. One sticks by the bed-rock principles of self-determination and territorial integrity.

Belize cannot speak out of the two corners of its mouth. Supporting territorial integrity in the case of Belize but supporting Israel in annexing Arab lands on other occasions is to show confusion.

The real cost of the visit to Israel will not be in the money spent on the airline tickets rather it must be measured in the bad will it will generate in the Arab countries who have supported us with their votes at the United Nations. It was only when Israel saw the handwriting on the wall that it finally came over.

COSTA RICA

PRESIDENT ARIAS LEAVES FOR BARCO INAUGURATION

PA070440 San Jose Radio Reloj in Spanish 0100 GMT 7 Aug 86

[Excerpt] President Arias Sanchez left for Colombia after making a historical decision in Costa Rica. The president of the Costa Ricans, who was accompanied by his wife Margarita Penon de Arias and other members of the delegation that will represent our country at Colombian President-elect Virgilio Barco Vargas' inauguration, boarded his plane at 0940 after having signed a decree enabling a woman, namely Vice President Victoria Garron, to occupy the Presidency of the nation.

The retinue is made up by Foreign Minister Rodrigo Madrigal Nieto, his wife, and Deputies Mireya Guevarra, Alfonso Stevanovich, Javier Solis, and Jose Maria Borbon. [passage omitted]

Reiterates Neutrality in Bogota

PA071724 San Jose Radio Reloj in Spanish 0100 GMT 7 Aug 86

[Relay from Bogota by Milagros Espinoza]

[Text] Accompanied by Foreign Minister Rodrigo Madrigal Nieto and (Alan Araya), Costa Rican charge d'affaires in Colombia, President Oscar Arias Sanchez offered a news conference which was attended by several dozen international journalists at the [name indistinct] Convention Center in Bogota, under strict security measures.

Arias Sanchez said he was pleased to be visiting Colombia again, to be able to express Costa Rica's solidarity and identification with Colombia's democratic process. He said: We believe in dialogue and in the people's will expressed in the polls. He recalled that Costa Rica wants to contribute to make peace possible in Latin America, which can only occur through democracy.

The president discussed several topics during the news conference, including the Contadora Group process. He said that this group had filled a large vacuum in Latin America, in view of the OAS' shortcomings, and that therefore, Costa Rica has supported it. I want to be optimistic, and I think that it is still possible to find a peaceful solution to the conflict, President Arias said, adding that Costa Rica will always support the efforts undertaken by the Contadora and Support Groups. He recalled that no country, except for Nicaragua, and abstained from making observations regarding the Contadora Act [sentence as heard]. He added: Our observations were in the political field, on issues concerning the procedures to verify the implementation of truly free democratic and electoral processes in Central America.

In addition, Arias Sanchez said that the Contadora Group efforts would have been more successful had Nicaragua shown more willingness to negotiate. He added: For example, had Nicaragua accepted the recommendations for a broader opening which were made by the Central American presidents during the Esquipulas summit in late May, the current situation could have been prevented.

President Arias was frequently asked by the international media gathered here in Colombia about Costa Rica's neutrality. Regarding this, he said that Costa Rica is not often in the news, and that therefore its neutrality is the only topic that hits the front pages of the international press. He reiterated that his government wants to preserve Costa Rica's neutrality, because it believes in self-determination, and that the country should not get involved in the conflict. Once again, Arias Sanchez said that foreigners who violate Costa Rica's neutrality will not have the government's acquiescence, recalling his announcement that any government official collaborating with the exiles who abuse Costa Rica's hospitality will be dismissed. He added: When we declared our neutrality we did so in all sincerity, with the intention to abide by this declaration, and not just consider it as something for external consumption. No one should believe that the activities of the Nicaraguan contras are tolerated by this government, he stressed. He noted that the ongoing entrance of Nicaraguans through the northern border, some of whom join the struggle against the Nicaraguan Government, is a problem for Costa Rica. In this regard, Arias Sanchez said:

[Begin recording] If Costa Rica decides to increase the number of its civil guardsmen -- not necessarily by acquiring heavy weapons, but by increasing the number of civil guardsmen and giving each one a revovler to enforce our neutrality and be able to increase our vigilance at the Nicaraguan border, which extends more than 300 km -- we are accused of militarizing the country as if [words indistinct]. If on the contrary, we decide not to reinforce our Civil Guard, not to assign any more funds to our Public Security Ministry for our public security...[changes thought] we have a [word indistinct] ministry because we have nothing to defend ourselves from, because we are not being threatened by anyone, because we believe that our only defense is based on law and international organizations, because our country is [word indistinct] with civil-minded teachers, where we do not have armed forces, where the chiefs of our Civil Guard [words indistinct].

As I was saying, if we do not assign any more funds to our Public Security Ministry, we are accused of deliberately ignoring the contras' activities in our territory. In other words, we end up losing anyway. The only thing I can say is that on my part, on the part of my government and aides there is a sincere and honest desire, a firm determination to truly comply and ensure compliance with our neutrality, without spending any more money on public security, because we have other needs. We will do everything possible to prevent any abuse of our hospitality, any abuse [word indistinct] of our political asylum to use Costa Rican territory for military activities against sister nations. We will -- to the extent of our capabilities -- considerably reinforce the border area with civil guardsmen, to prevent the use of our territory by any Costa Rican, Nicaraguan, or American against Daniel Ortega's government. [end recording]

EDITORIAL SCORES NICARAGUA'S SUIT AT ECJ

PA070428 San Jose LA NACION in Spanish 31 Jul 86 p 14-A

[Editorial: "The Degradation of the International Court"]

[Excerpts] Encouraged by the questionable sentence passed against the United States by the International Court of Justice [ICJ] on 27 June, and in accordance with the Leninist strategy of subverting and exploiting international forums in an effort to shield the consolidation of the totalitarian project in Nicaragua, the Sandinist regime has accused Costa Rica before the ICJ at The Hague. According to the insulting message spattered with threats that the Foreign Ministry received from the Nicaraguan Government, the aim of the procedures initiated against Costa Rica is "to end Costa Rica's complicity with the activities carried out by the U.S. Government against Nicaragua," and "to prevent a generalized war caused by the violation of the basic rules of international law."

The charges made at the ICJ by the Nicaraguan dictatorship are a reiteration of the absurd lies the Sandinists and their friends have told against Costa Rica, with the support of a strident leftist international publicity apparatus, which has spread these lies throughout the world. The time chosen by Managua to announce this judicial action -- the eve of Commander Daniel Ortega's appearance before the UN Security Council to fantasize over the U.S. "military occupation" of our country -- is evidence enough of the true purpose of this new chapter of Sandinist outrageousness.

Obviously, what Costa Rica is facing at the ICJ is not a judicial disagreement with Nicaragua, but a political case, within the broader context of the Sandinist regime's aggressiveness and intolerance toward its democratic neighbors, and the case should be handled as such.

With their complaint, the Marxist commanders are not trying to claim legal values, which are inconceivable in their ideology, but to vilify a peaceful, free, and unarmed nation, and with it the United States and the cause of democracy in Central America.

The selection of the forum at The Hague for this poor imitation of justice is not accidental either. Unfortunately, the once prestigious International Court has not been able to avoid the deterioration, politicization, and degradation of the original goals of the United Nations and its huge tangle of organizations. With a majority of judges from countries such as Poland, the PRC, Algeria, and Senegal, whose lack of judicial independence and attachment to correctness speaks for itself, what kind of judicial equity can be expected?

This background and the hardly promising prospects for justice emerging from The Hague, suggest that Costa Rica should not accept the dictates of a forum that is obviously prejudiced, or procedures that can only bring criticism to our country and juicy propagandist dividend to those who today subjugate, silence, and murder the Nicaraguan people. [passage omitted]

Under these circumstances, and in the current context, Costa Rica cannot commit the excess of concentrating its efforts and resources, or of spending itself in a battle that the Sandinists have beforehand designed in their own favor at The Hague. On the contrary, our government should publicly and internationally denounce this maneuver for what it is: a degradation of justice.

If any lesson, which we do not need, can be found in this latest attack by Managua reiterated by Daniel Ortega at the United Nations, it is that totalitarian dynamics do not recognize or accept neutral positions. Therefore, national interest demands that without further delay, Costa Rica must carry out a vigorous foreign policy action in keeping with the country's dignity and the historical moment.

EL SALVADOR

DUARTE ANNOUNCES DATE FOR TALKS WITH REBELS

PA071752 Madrid EFE in Spanish 1725 GMT 7 Aug 86

[Text] Bogota, 7 Aug (EFE) -- President Jose Napoleon Duarte announced today in Bogota that the dialogue between the Salvadoran Government and guerrillas will be resumed on 29 August.

"We are struggling for peace in my country, and at this time I am presenting a new possibility for talks. I have proposed 29 August as the date for a meeting with the rebels," Duarte said.

Duarte, who yesterday had said that he had selected three cities in eastern El Salvador as possible sites for the talks, insisted that this third meeting with the rebels will be "to propose their incorporation in the democratic process" in the country.

The three cities mentioned by Duarte as possible sites for the new talks are San Miguel, Gotera [name as received] and Berlin, all of which are located in El Salvador's eastern region," and close to the areas where there are more frequent clashes between the guerrillas and the Army [quotation marks as received].

The Salvadoran president is in Bogota to attend the inaugural ceremony of Liberal Virgilio Barco Vargas, the new Colombian president who succeeds Conservative Belisario Betancur.

Viera Explains Proposal

PA072321 San Salvador Radio Cadena YSU in Spanish 1800 GMT 7 Aug 86

[Statement by Deputy Culture and Communications Minister Roberto Edmundo Viera, official government spokesman for the third meeting between the Salvadoran Government and representatives of the FMLN-FDR; date and place not given -- recorded]

[Text] Regarding the third meeting, you already know the mechanisms that were used. The government presented a proposal to Msgr Rivera y Damas, who took it to Perquin where he was given a counterproposal. On 4 August the government presented a new plan.

In summary, the initial proposal included a date: Friday, 29 August. The government proposed the cathedral in the city of San Miguel as the site for the meeting. It proposed the city of Gotera [name as received] as an alternative. In this proposal, the president stated clearly that he would head the government's delegation. This proposal also included guarantees with regard to the arrival and departure of the FMLN people. The proposal also stated that there would be a place where the FMLN-FDR could stay the day before and sleep there. The place is in San Miguel and would have the legal status of an embassy since there has been talks with an ambassador from a European country to establish such a place to afford greater guarantees. The proposal also noted that the International Red Cross would be given facilities so that it may transport the delegates.

Basically, this was the essence of the first proposal. The FMLN-FDR responded to it. Their response was basically a repeat of the position they adopted when the president's invitation to a dialogue was announced. They proposed San Salvador as the site for the meeting. They also proposed the formation of a commission that would have to come here and hold meetings with the news media prior to the date for the meeting. They also proposed an integrated security plan that would provide military protection from the two sides, that is, an integrated security plan that would include both the Armed Forces and the FMLN. They also proposed the demilitarization of the area. Since they speak of San Salvador as the site for the meeting, I suppose they are proposing that the government abandon San Salvador, that it demilitarize the area, that it remove the security corps from San Salvador. They proposed that this commission begin work before 20 September and that the date for the meeting be established as 20 September. This is, summarizing, their response to the proposal. The government views this proposal of theirs as one without the spirit of dialogue, as an effort to turn this affair into a public relations event, as an effort to prolong the matter. Now they are talking about 20 September, and the government believes that there is really no goodwill on their side.

In view of this, on 4 September [corrects himself] on 4 August, rather, the government gave to Msgr Rivera y Damas a new proposal with some changes.

No I am going to read the text of the proposal given to Rivera y Damas on 4 August:

On behalf of the government, as president of the Republic, I hereby reiterate my firm will and political decision to promote a peace process that should favor and permit the securing of full peaceful coexistence among the Salvadorans in the framework of constitutionality to assure liberty and peace in democracy.

Interpreting the national feelings and the desire of the Salvadoran people, I convoked the dialogue in La Palma and Ayagualo.

With the same spirit of seriousness and honesty I made evident then, and taking into consideration the aspirations and needs of the Salvadoran people, I have now invited the FMLN-FDR to another meeting. I proposed to my intermediary, Msgr Arturo Riveray Damas, that this meeting take place in the city of San Miguel on Friday, 29 August of this year, in the San Miguel cathedral. I proposed the city of San Franciso Gotera as an alternative.

In that proposal I reiterated my decision to be present at that meeting in the company of the persons I may find suitable. I also informed the monsignor that I was prepared to offer all the necessary guarantees for a most efficient meeting. I offered facilities so that ambassadors accredited by my government, as well as International Red Cross delegates, may guarantee the presence and participation of FMLN-FDR representatives.

Faced with these serious and specific proposals that make evident our good intentions, the FMLN-FDR has presented a proposal that clearly projects the purpose of using the dialogue as a tactical war tool, thus disappointing once again the hopes and expectations of the Salvadoran people to secure peace through dialogue.

The FMLN-FDR, by presenting an unrealistic proposal, is trying to discredit the legitimacy and the legal institutionality of the government and turn the meeting into a propaganda show in search of support that it currently does not have.

I want to express our firm decision to hold a sincere dialogue. In this regard, I propose:

1. Friday, 29 August, as the date for holding the third meeting.

2. The cathedral of the city of San Miguel, or the city of San Francisco Gotera, or Berlin, as alternatives.

3. I confirm my offer for the same guarantees and facilities, that were offered in previous proposals.

4. For the purpose of holding the meeting, overcoming obstacles, and establishing procedures for the meeting, I propose that advance meetings be held between 19 and 26 August at our embassy in Mexico City.

These meetings would be coordinated by, and take place in the presence of Msgr Arturo Rivera y Damas, archbishop of San Salvador.

San Salvador, 4 August 1986

This is the latest proposal that was given to Msgr Riveray Damas.

FMLN-FDR Announces Communique

PA080242 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Aug 86

[Text] Attention please. We want the national and international press to listen. In upcoming broadcasts Radio Venceremos will announce an FMLN-FDR communique regarding Duarte's dialogue proposal. Durate's government wants the dialogue to become part of a propaganda war.

On Thursday, Edmundo Viera, deputy culture and communications minister, made statements to the press in which he lied regarding our proposal for the third round of talks. Mr Viera is trying to make the dialogues become another element in the propaganda war, and he has lied about the contents of our proposal. The FMLN-FDR have proposed that the talks should remain in private until agreements are reached. Msgr Rivera y Damas is the person responsible for announcing any agreement. This mechanism is precisely to prevent any distortion of the talks -- which is what to government is doing. Not only has Viera violated this requirement, but while in Bogota, Colombia, Napoleon Duarte has also been using propaganda measures regarding the third round of talks. The FMLN-FDR has not used the talks for propaganda purposes, because we believe that both sides must be serious and responsible for the talks to be successful. That is why we did not allow journalists to participate in the meeting in which the mediator met with our representatives in Morazan Department. In that regard, Radio Venceremos has not made any comments regarding our proposal. Duarte has not been serious and has not been responsible in this issue. He has used the talks for propaganda purposes, thereby revealing the government's lack of commitment to the talks.

We call on the press and the general public to tune in to our upcoming casts, because FMLN-FDR will announce a communique regarding the government's statements on the third round of talks. We shall also announce in this communique the contents of our proposal to clarify our position.

GUATEMALA

BORDER TRADE PROBLEM WITH COSTA RICA SOLVED

PA071505 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 7 Aug 86

[Text] The almost 1-month-old border problem with the Republic of Costa Rica -- a result of Guatemala's abandoning the clearing house system -- was solved approximately an hour ago. The Costa Rican Government had categorically stated that our country could not take this step and, seeking to exert pressure, closed its borders to Guatemalan products.

President Cerezo announced this morning that a message had been sent to tell Costa Rica that Guatemala would take a similar measure; this produced a conclusion about an hour ago, with Costa Rica stating that its borders have been opened to Guatemalan products.

The economic problem that had existed between Guatemala and Costa Rica has been all but solved, although Costa Rica categorically stated in its answering message that an agreement must be drawn up, and a list must be prepared with the products that will be affected. The problem, which lasted almost a month, was solved thanks to the measures announced by the Guatemalan Government over the weekend and this morning. The Costa Ricans chose to open their borders because otherwise, Guatemalan markets would have been closed to their manufactured goods.

HONDURAS

HONDURAN JOURNALISTS PROTEST ATTACK ON COLLEAGUE

PA071731 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 7 Aug 86

[Text] Organized Honduran journalists marched this afternoon through Tegucigalpa's main streets in a demonstration that ended in front of the Government House.

The march began at the Journalists' House located in El Guanacaste neighborhood, continuing along the Peru Avenue, passing by the Central Park, and ending at the Presidential House.

Here, representatives from various journalists organizations demanded from the president of the Republic as well as from the commander in chief of the Armed Forces, a report on the attack suffered last Monday by journalist Rodrigo Wong Arevalo.

In replying to the journalists' demands, government spokesman Marco Tulio Romero said that the president of the Republic was the first to regret the attack. On behalf of President Jose Azcona Hoyo, Romero promised that a report on the attack will be issued, stressing that the investigations continue to clarify the incident.

NICARAGUA

ORTEGA'S 'CHICAGO PROPOSAL' PRESENTED TO U.S.

PA071419 Managua Radio Sandino in Spanish 0000 GMT 7 Aug 86

[Text] An official note, containing the eight-point Chicago Proposal made by President Daniel Ortega Saavedra to U.S. President Ronald Reagan during Ortega's recent trip to that U.S. city, was officially presented to the U.S. State Department by Carlos Tunnerman, Nicaraguan ambassador to Washington. Tunnerman met briefly with William Walker, assistant secretary of state for Inter-American affairs [title as heard]. During his meeting with Walker, Tunnerman reiterated point eight of the Nicaraguan proposal, which extends an open invitation for President Reagan to visit Nicaragua.

U.S. SENATE COMMITTEE APPROVES CONTRA AID

PA061943 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 6 Aug 86

[Text] Today, the Senate's Appropriations Committee approved the $100 million requested by President Reagan to finance the mercenary war. This was the last step before the U.S. Government's request is discussed in the full Senate. The $100 million in aid was approved by the lower house on 25 June. A group of senators have said that they will extend the discussion to prevent the voting before the Senate's recess, scheduled for September.

Today, demonstrations opposing Reagan's policy in Central American continued outside the Capitol. The demonstrators were also protesting the financing of the counterrevolutionary groups. Yesterday, 122 demonstrators were arrested.

Uruguayan President Julio Maria Sanguinetti has called the $100 million requested by Reagan for his mercenaries an unfortunate action for peace in Central America. Sanguinetti is in Bogota, Colombia, where he will attend the inauguration of the new Colombian president.

RUIZ-LED DELEGATION VISITS SRV, LAOS, CAMBODIA

For reportage on the visit by a Nicaraguan Government delegation led by Henry Ruiz, member of the FSLN national leadership, to the SRV ending on 2 August, their 29-30 July visit to the People's Republic of Kampuchea, and their 31 July-1 August visit to the Lao People's Democratic Republic, see the Vietnam, Cambodia, and Laos sections of the 6 August Asia & Pacific DAILY REPORT.

Delegation Returns

PA070323 Managua Radio Sandino in Spanish 0000 GMT 7 Aug 86

[Text] The world solidarity that Nicaragua enjoys is the most powerful weapon against Reagan's attempts to destroy the Nicaraguan revolution. This statement was made by Commander of the Revolution Henry Ruiz, foreign cooperation minister, on his return to the country after visiting Vietnam, Kampuchea, and Laos. Commander Henry Ruiz said:

[Begin recording, in progress] ...in a systematic, and I would add, even accelerated manner, the world solidarity, the solidarity of all the progressive humankind. I have many anecdotes. When I traveled I met many people. They asked where I come from and when I say that I come from Nicaragua, immediate expressions of solidarity for Nicaragua were heard. People were amazed and curious. This was quite evident during Commander Ortega's trip to the United Nations, Chicago, and Denver. We are creating a feeling of solidarity that is very important for our country but also very important for the other peoples, including the U.S. people. Through their solidarity they are expressing the right of our people to independence, sovereignty, and self-determination. This is something new because it is universal solidarity -- solidarity of the peoples and citizens of the world, independent of the social and political regimes they (?live under). [end recording]

5-YEAR TRADE PROTOCOL SIGNED WITH ROMANIA

FL071358 Havana Radio Progreso Network in Spanish 1100 GMT 7 Aug 86

[Text] Cuba and the Socialist Republic of Romania will increase trade during the current 5-year period by almost 20 percent compared to the last 5-year period. According to a protocol signed in Havana by Ion Ceausescu, minister state secretary and first deputy chairman of Romania's State Committee, and Jose Lopez Moreno, president of the Central Planning Board, ceonomic cooperation between the two countries will be expanded during the 5-year period.

Cuba will supply Romania sugar, nickel, and new mechanical and electronics goods and will receive from Romania a factory for parts, equipment, and chemical industry supplies, as well as stainless steel for appliances and buses.

The Romanian representative expressed his satisfaction over the development of the talks he conducted with Cuba's Council of State President Commander in Chief Fidel Castro. He said these talks are very important for strengthening relations between the two nations.

BRAZIL TO SUPPLY AGRICULTURAL EQUIPMENT

FL072330 Havana Radio Rebelde Network in Spanish 2300 GMT 7 Aug 86

[Text] Achilles de Resendo Lobo, Bamerindus bank director, said in Brasilia today that his country will sell agricultural equipment to Cuba valued at $10 million. The Brazilian banker also said that he will travel to Havana in the next few weeks to speak with Cuban authorities on the final details of that commercial transaction.

'OUR AMERICA' VIEWS ORTEGA 'CHICAGO PROPOSAL'

PA050441 Havana International Service in Spanish 2300 GMT 4 Aug 86

["Our America" commentary, read by Norberto Hernandez]

[Text] The willingness to negotiate to achieve a political solution to the crisis that threatens to involve all of Central America in a conflict was again expressed by the Nicaraguan Government through that country's president, Daniel Ortega, who has proposed the signing of a peace treaty with the United States.

This weekend all international press agencies echoed the statements Ortega made in Chicago, a city he visited during his U.S. tour. In front of a large audience at the Operation PUSH [People United To Serve Humanity] organization, Ortega added that he wants to speak with President Ronald Reagan, but Reagan has refused to see him. Despite Reagan's refusal, President Ortega invited his North American counterpart to visit Nicaragua so that he can speak to the Nicaraguan people and authorities. If the U.S. President were to accept such a positive offer, he could evaluate just how much the aggression he has promoted affects a country he knows nothing about.

He could also note that the true freedom fighters are not the members of the mercenary groups, to which he gives increasing amounts of financial and military aid, but the people whose morale increases in response to each terrorist attack, and who do not despair, despite the aggressions.

However, the U.S. President has decided that it is easier and better serves his interests to close his eyes, blindly point to Nicaragua on the map, and then run the same fingler along the entire Central American zone to involve it in a war which in the long run will be just as harmful for U.S. policy as Vietnam was. If this were not the case, the U.S. President would long ago have stopped squeezing the taxpayers' pockets to initiate the new escalation he began when he granted $100 million to the former Somozists, while blackmailing several Central American countries and pressing them to make war against Nicaragua.

In this regard, the Nicaraguan Government a few days ago reported at the International Court of Justice in The Hague on the use of Honduran and Costa Rican territories as U.S. bases of aggression against the Sandinist revolution. This fact alone shows the United States' true intentions, which in no way are based upon talks; on the contrary, they are based on sabotaging any efforts to achieve peace, such as, for example, the efforts of the Contadora Group.

Recently, Brigadier General Joaquin Cuadra Lacayo, Nicaraguan deputy defense minister, said that the millions of dollars the United States has granted the counterrevolution is a political fact that will not improve the mercenaries' situation but could lead to an escalation that would imply direct U.S. participation in the undeclared war against Nicaragua. In this decisive phase, only talks could offer the alternative of peace that Nicaragua deserves so much, but so far the only response to Nicaragua's offers has been silence.

SALVADORAN STAND ON DIALOGUE 'PROPAGANDA SHOW'

PA031810 Havana International Service in Spanish 2300 GMT 2 Aug 86

["Our America" commentary, read by Norberto Hernandez]

[Text] The Salvadoran Army is currently carrying out two big operations that involve displacing civilians under the pretext of depriving the guerrillas of support. As a result of these operations, the Salvadoran Army has already removed all the inhabitants of 20 cantons and villages in the Departments of Cabanas, Cuscatlan, and San Miguel.

This information has been provided by Radio Venceremos, official mouthpiece of the FMLN. Radio Venceremos has reported that four elite battalions and regional forces of the Salvadoran Armed Forces are participating in these operations and that these government forces, in addition to repressing the civilian population, are destroying crops and other property of the peasants. Venceremos has charged that the people removed from these areas are being tortured in Army barracks, where they are kept as prisoners.

This is not the first time that the regime of Jose Napoleon Duarte has carried out removal operations. In the past, and using the same excuse, hundreds of peasants have been expelled from their places of birth. Many of those peasants carried out a march to the capital and have protested the inhuman measures at the Metropolitan Cathedral.

Those government actions form part of the counterinsurgency campaign of the Christian Democratic Party regime that on the one hand speaks of dialogue with the rebels, and on the other ferociously represses the civilian population in open violation of human rights. At the same time that it pursues its antiguerrilla campaign, the Duarte regime continues evading the rebels' insistent proposals to hold the dialogue the regime publicly accepted a few months ago.

Government proposals and counterproposals are delaying the talks, talks that could lead -- if the government were to act honestly -- to the end of the frustration of broad national sectors interested in finding a political solution to the conflict and peace. The FMLN and the FDR recently issued a communique proposing a public debate that should lead to the creation of favorable conditions for holding the third round of talks, because, they affirmed, it is necessary for the people to know beforehand the positions and ideas of the parties in conflict if the negotiations are to be successful.

It is because of this that the guerrillas have opposed the inadmissible government proposal of holding private meetings prior to the dialogue, because this implies discussing the government's premise that the guerrillas put down their weapons and join the electoral process. The rebels said: Private meetings would make sense only after there is a public commitment to guarantee the continuity of the dialogue, to respect agreements, and to analyze proposals from the two parties and other large groups.

Meanwhile, the Salvadoran regime has not yet established a date or place for holding the talks and is maintaining the repression of civilians. To date, the acceptance of the dialogue seems to be just part of a new propaganda campaign.

TRINIDAD-TOBAGO

CHAMBERS TO INVESTIGATE 'DISTURBING MATTERS'

FL052358 Bridgetown CANA in English 2343 GMT 4 Aug 86

[Text] Port-of-Spain, Trinidad, Aug 5, CANA -- Trinidad and Tobago's Prime Minister George Chambers says he plans consulting some of his ministers to decide what action to take against extremely disturbing allegations made by government supporters in neighbouring Tobago, where the opposition controls Parliament. Chambers did not detail the allegations, but the press here quoted sources at the meeting as saying they related to job victimisation of the ruling party's members, abuses of the school feeding programme, and the Tobago administration's financial affairs. The charges were made Sunday when Chambers met groups representing the two Tobago east and west constituencies. It was Chambers' first visit to the island since his Peoples National Movement (PNM) was defeated 11-1 in the November 1984 Tobago House of Assembly (THA) elections.

According to my notes, said Chambers, who reduced his speech from the usual hour to about five minutes, there is a common thread running through the contributions of the several members this morning which is far more serious than has arisen in any other meeting before. You have raised some extremely disturbing matters which will require consultation between me and some other ministers. He added: You have raised very, very serious matters. You have alleged very, very serious matters about which I have no alternative but to seek consultation with other persons and such action as is required to be taken.

Joint Constituency Chairman George Phillips had earlier called for Tobago PNM members to let political leader Chambers know of their problem. Sources within the meeting said that the problems were to do with alleged victimisation in employment and services being experienced by known PNM supporters, the Trinidad GUARDIAN newspaper said. PNM members had also reported a scandal in the island's school feeding programme with inadequate food being given to children and food items being channelled off elsewhere. Others had, reportedly, accused the opposition controled THA of having a fixed deposit account in a bank whilst complaining of not having funds to pay its workers.

The parliament in Tobago is controlled by National Alliance for Reconstruction (NAR). Its THA member, Hochoy Charles, today denied such charges. Charles told the Trinidad EXPRESS newspaper that the THA does not appoint anyone to jobs -- this being the role of the Public Services Commission in Trinidad. We don't get involved in that kind of foolishness, said Charles. It is because they were like that, the people of Tobago have kicked out the PNM.

FBIS

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ALFONSIN DISCUSSES GROUP OF SIX MEETING

PY110210 Buenos Aires BUENOS AIRES HERALD in English 10 Aug 86 p 15

[Text] (NA) -- President Raul Alfonsin returned early yesterday from his trip to Colombia and Mexico and said chances were Argentina could be more useful now in the struggle for world peace -- a reference to the Declaration of Mexico which proposed means of verifying an end to nuclear arms and nuclear testing. The president immediately reassumed the office he had delegated to Vice-president Victor Martinez.

In a brief exchange with journalists Alfonsin said on the declaration issued by the Group of Six "I don't believe we should overact, but anyway I think conditions are propitious to think of distension and we are trying to help in this."

On the U.S. decision to subsidize sales of grains to the Soviet Union, Alfonsin said "we are going to continue protesting, to complain as befits, as we have been doing, and will see what response we get."

Foreign Minister Dante Caputo told reporters aboard the aircraft bringing Alfonsin and him back from Bogota that the task ahead for the Contadora group in seeking peace in Central America was difficult but the determination was firm to achieve their end. "If the law of the jungle should rule in Latin America our nations would be seriously damaged and however complex it may be, a diplomatic solution is infinitely less expensive than a war," he said.

Caputo, who represented Argentina at the inauguration of the new Colombian President, Virgilio Barco Vargas on Thursday, and met with Contadora representatives said they were all agreed as a mechanism for solving conflicts.

ALFONSIN WOULD ACCEPT UN TROOPS IN FALKLANDS

PY102230 Madrid EFE in Spanish 1031 GMT 10 Aug 86

[Text] London, 10 Aug (EFE) -- Argentine President Raul Alfonsin has told THE OBSERVER that he would accept the temporary presence of UN troops in the Malvinas Islands as a solution to the conflict with Great Britain.

In an interview with the British newspaper THE OBSERVER published today, Alfonsin said that the presence of UN troops for a period of time would not be unthinkable for Argentina. However, he said his government would never permit the presence of foreign troops to guarantee the rights of the inhabitants once the archipelago is returned to Argentina.

Alfonsin told THE OBSERVER the desire of the islanders that the territory remain under British rule directly clashes with Argentina's firm position claiming sovereignty over the islands. "We do not want aggression," he stated. "We want solutions, no matter how diverse. We want solutions that do not place a burden on one's shoulder."

He did not discuss the possibility of granting some type of broad autonomy to the islands, and added that Argentina could allow the inhabitants to move to other places if they so desired. Alfonsin explained that "we would do anything they wanted. We would purchase the land from them at the best prices, and we would grant them whatever they needed to move anywhere in the world."

Alfonsin expressed disappointment over the inflexible position displayed by Prime Minister Margaret Thatcher so far. Alfonsin told THE OBSERVER: "I think we should sit at the table and solve the problems. It would be very convenient for the Argentine and British peoples to find solutions" to the conflict.

CENTRAL BANK ANNOUNCES INTEREST RATE HIKES

PY102350 Buenos Aires BUENOS AIRES HERALD in English 10 Aug 86 p 1

[Text] (NA-DYN) -- The Central Bank last night announced an interest rate hike of about 25 percent, marking the first of a series of anti-inflationary measures drawn up by economic authorities in the wake of the upsurge of inflation.

The packet, reportedly aimed at "depressing dollar sales and speculation," was due to be reviewed by President Raul Alfonsin late last night or today.

The new rate levels as from Monday are: 4.5 percent for 7 to 14-day deposits (up from 3 percent); 4.7 percent for 15 to 22 days (up from 3.10 percent); 5 percent for 23 to 29 days (up from 3.40 percent) and 5.5 percent for 30 days and over (up from 4.20 percent). Free interest rates rise from 5.7 to 7 percent, while ordinary savings account interest rates increase from 3 to 4.5 percent. The financial measures were announced last night after lengthy deliberations by the Central Bank board of directors.

BARRIONUEVO'S PRESENCE IN SANTA FE CAUSES RUMORS

PY082101 Buenos Aires Domestic Service in Spanish 1600 GMT 8 Aug 86

[Relay from Santa Fe Radio Nacional by Alberto Trasero]

[Excerpts] Labor Minister Hugo Barrionuevo has been in Santa Fe since last night, but the real resons for his visit is still unkown. The labor minister has said his visit is for strictly peronal reasons, not related to any activities connected with his position as minister. Despite Barrionuevo's statements, however, there are rumors about the minister's alleged responsibility in conflicts among Santa Fe Province police personnel. [passage omitted]

BRIEFS

FORMER COMMUNIST LEADER DIES -- Buenos Aires, 23 Jul (DYN) -- Antonio Martinovich, a former Communist Party metropolitan committee secretary general, died at noon today of a serious illness that forced him to quit his party positions a few months ago. [Excerpt] [Buenos Aires DYN in Spanish 0237 GMT 24 Jul 86 PY]

PAZ DELIVERS STATE OF UNION ADDRESS TO CONGRESS

PY070405 La Paz Domestic Service in Spanish 1954 GMT 6 Aug 86

[State of the nation address by President Victor Paz Estenssoro to opening session of Congress -- live]

[Excerpts] Your Excellency, Vice President of the Republic and President of the honorable National Congress; Messrs Presidents of the honorable Senate of and of the Chamber of Deputies; Messrs representatives of the Supreme Court; Messrs Ministers of state; honorable Congress members, honorable members of the diplomatic corps; civilian, military and church authorities; ladies and gentlemen:

In compliance with the Constitution we are today before congress, the expression of the democratic preference of the people, to account for what we have done during the past year of government and to express the hopes we harbor after having fulfilled our 1st year. This year has been unmistakably characterized by the enormous difficulties we have been able to overcome because of our determination to rescue the country from the tragic situation it was experiencing.

The 171st anniversary of Bolivia's independence finds us at the beginning of a 2d year of a constitutional government. The fact that this government was elected by the will of the people in keeping with the Constitution shows that it is undoubtedly the will of the Bolivian people to live in democracy, which is the most civilized way to safeguard the rights of freedom and the civilian prerogatives that are established by law.

Our praise of democracy is always appropriate for educational and civic purposes, in view of the turbulent past that our country has experienced.

The tradition of irreversible political difficulties, coupled with personal ambitions which overlooked damage to the nation, have permanently marked the pages of our nation's history. This also showed a lack of organization in our political past and an incapacity to restore institutional normalcy as an invulnerable principle.

The evolution of Bolivia's seditious history led to the establishment of the most absurd, adventurous formulas which were bound to lead to backwardness, arbitrary measures, and anarchy. This ill-practiced phenomenon violently interrupted, less than 3 years after independence had been proclaimed, the normal and peaceful progress of the government headed by the marshal of Ayacucho, Antonio Jose de Sucre. [passage omitted]

In the past few years we Bolivians have fortunately learned an important lesson: to live in keeping with democratic rules that allow us to program the future; to eradicate the negative events at the national level; and to consolidate the law instead of having arbitrary and chaotic occurrences.

To uphold at any price the observance of a legal system, with its basic regulations, as a prerequisite to resolve complex national issues has become a challenge for all Bolivians who aspire to lead the nation onto a path of political development that will project itself at the social and economic level.

The pact that has been achieved with the Nationalist Democratic Action [ADN] to cope with the power balance among the various parties represented in congress and to provide democracy with a firm foundation has helped us to achieve a reasonable stability in the restless world of politics for the good of all Bolivians.

This agreement, achieved between the government and the most important opposition party, truly constitutes an unusual event in Bolivian history.

We are witnessing positive results of the normal development of the institutional system through the approval of a package of important measures which are essential for this new path which seeks to resolve the most pressing problems the nation is confronting.

Although it is true that we have not yet fully achieved this ambitious objective, we are treading the right path, the true path that will allow us to resolve present problems.

We have not been helped in this by some severe [word indistinct] crisis which confronted an administration that was determined in overcoming an obviously complex inheritance.

Nevertheless, and despite the systematic opposition of some political and [words indistinct] of radical extraction, the majority of the people gave their support to a package of measures without which the negative effects of the crisis would have deepened even further.

In view of this understanding and the collective sacrifice that it entailed, I hereby express my recognition to the people, and I reassert that an effort of such magnitude will not be in vain because the days of true relief are now nearer than when we undertook the task of saving the country from disaster.

Today we are morally afflicted when we witness poverty and when we have to request the majority of Bolivians to endure yet more difficulties to be able to definitely overcome the crisis that is overwhelming us.

More than anyone would believe, I constantly think about the children, women, and men who suffer because they still lack the goods and services that all human beings deserve.

We in the government have not created the crisis, nor have we deepened it. We have been confronted with the most difficult of tasks: to salvage the nation from bankruptcy and to set it along a better course. This is what we have done with patience and perseverance. Committing ourselves to this unavoidable duty, there will be no difficulty, no matter how great, or opposition, no matter how well-planned, that will discourage us from continuing with this task, which we believe is a service for our people.

The government I preside over believes that to work for this is a serious commitment that has been assumed with responsibility. It will allow us to overcome the problems arising from extreme poverty and give our people the hope that tomorrow will be better than today.

This is not mere demagoguery or circumstantial popularity. The government's actions have sought to correct the real causes of economic and social unrest without any thought other than that of serving the high interests of the nation.

There are indications that the economy, which is still weak and vulnerable, is beginning to experience a recovery. It is not my intention to give the false impression that we have overcome all the difficulties or that we are on the verge of achieving a prompt recovery. I am only referring to certain economic indicators which irrefutably show that the nation is responding to the current economic reorganization process. We should not be astonished by the fact that this policy is yielding favorable results. After a long period in which the nation's economy was adrift, and after having reached the peak of the crisis, any positive change, no matter how modest, shows that we are advancing along the proper path.

However, this path, and I repeat this with a teacher's insistence, has not yet been made accessible to all our hopes, all our needs and the just ambitions to which the people have a right to aspire.

Let us live in peace without surrendering democracy, which is a precious victory we cherish, and which we can proudly show. Let us overcome the threats and (?biased) behavior which do not help to resolve essential problems. Let us be certain that the overwhelming misfortune will be overcome if each and everyone of us, with the patience and greatness that brings encouragement in adversities, starts to march and everyone, in the proper area of influence, acts with determination. Thus we will see how our fatherland will overcome its paralysis.

I hope this invocation is not taken as an autocratic gesture. I do so for the sake of a young democracy that deserves to be able to reach maturity in order to achieve a fruitful objective.

The nation's somber panorama that prevailed in essential social and economic areas when we assumed the government showed us that the task which lay ahead was not an easy or light one; that we had to dedicate all the hours possible to resolve the great problems that had accumulated.

In addition to the effort we had to make to achieve the recovery of Bolivia, we had to confront a series of conflicts which made the task even harder. It is not for our own benefit or because we are an elitist and selfish group that we have taken up this duty of governing a people. I am giving all I can of myself, and sometimes I am attacked for being unable to resolve now the great needs and problems that have been dragging for many years. (?It is not) out of a lack of sensitivity or extreme harshness that we do not grant everything that is requested [words indistinct] throughout the nation. To be truthful, I must say that the government over which I preside cannot grant everything that is demanded of it without unleashing the imminent danger of a galloping inflation about which we already have bitter experience.

To avoid inflation, to consolidate monetary stability, and to reactivate the production apparatus is the basic plan to overcome a situation that has impoverished an entire nation. This is not a chaotic plan, and I honestly state that we do not believe any other plan of action can reverse a situation that has reached exasperating levels. There is no magic formula to instantly transform a situation of obvious bankruptcy in to one of flourishing well-being.

The evil that has undermined the nation with the stagnation of development, the growth of an unproductive bureaucracy, considerable losses in state-run companies, the foreign debt; rampant corruption; and persistent [words indistinct] instead of confronting the hard truth, has resulted in today's afflictions.

The lack of control of the economy had reached such alarming levels that there was no opportunity to enforce isolated or superficial correction measures: measures to repair the damaged economic sector. It was necessary to adopt great economic policy solutions, and this is what was done to resolutely confront the problems at their roots. These were obviously not policies that would initially satisfy all Bolivians or be acclaimed by the people, although if studied coldly and with a view toward the future, they would have benefited all Bolivians.

The radical unions and political sectors whose popularity was in jeopardy tenaciously opposed these measures to block the national economic and financial reorganization. Despite all obstacles and biased opposition, we issued Decree No 21060 which laid the foundation for a rational economic reorganization which is the backbone of the present realistic and unequivocal policy that will save the country from the disaster toward which it was unavoidably heading.

In view of the prevailing economic chaos, we carried out an integral action plan by establishing an exchange parity which objectively reflected the true economic situation (?which for) a long time lacked any export incentives. We did this by eliminating the deficit that the central government was experiencing through a considerable increase of the meager income in the general treasury; by establishing real prices in the sale of hydrocarbons produced by YPFB [Bolivian Government Oil Deposits]; and by simultaneously establishing a drastic decrease in expenses.

Decree No 21060 also encompassed measures to regulate state-run companies, particularly those in the hydrocarbons and mining-metallurgical areas.

Within the framework of the anti-inflation policy, the government established a salary reorganization for the public sector while it established that workers in the private sector were able to negotiate their salaries through agreements between the labor and business sectors.

With the purpose of systematizing the government's financial management, the government submitted to Congress the budget of the public sector. With the amendments that were introduced, this budget was issued through Law [words indistinct]. It is necessary to note the importance of the existence of a budget law to handle public expenses. The significance of this law, which has deep democratic meaning, is evident if we take into account that this is the first time in about 40 years, that Congress has approved a budget law.

Because the national budget was financed through the income produced by the state-run oil company, which can only be an emergency resource, and because the present regime has shown a need for taxes in view of widespread tax evasion, we submitted a tax reform bill to Congress. This bill and some amendments were passed by Congress as Law No 843 on 20 May. The corresponding decrees are beginning to be issued. Once taxes yield the estimated results, the national treasury will not only have a more rational source of income but because of its resources it will also be able to pay better salaries to government workers and to attend to the different national areas better.

Since Bolivia presently lacks the capacity to produce domestic savings and thus lacks the capital needed to reactivate its economy, we have signed a stand-by agreement with the IMF. We have also renegotiated the foreign debt with the Paris Club. These achievements will allow us access to foreign bilateral and multilateral credits that have been frozen for several years.

The results that have been achieved by the economic reorganization measures since their enforcement are eloquently demonstrated in the following figures. In 1985 the accumulated inflation rate reached the unprecedented average of 11.750 percent while at the end of the present fiscal year we have an average inflation rate of 92 percent. The difference is abysmal, and it needs no commentaries. [sentence as heard] The price of dollars in the first 6 months of 1985 increased by 53.8 percent per month while in the last 6 months, the dollar rate has stabilized itself to about 1,905,000 Bolivian pesos per dollar, thus guaranteeing regular prices for imported products and allowing for the normal flow of currency derived from exports.

The Central Bank's net reserves, which in July 1985 totaled only $13.5 million, today total over $169.3 million. The deficit in 1984 was 30.71 percent of the GDP. In the last 6 months it has recorded a virtual balance as a result of the responsible handling of the financial flow in the national treasury, the central administration, and public companies.

To date, the nation has honored all its commitments with multinational credit organizations, and in so doing it has allowed for the contraction of new credits. The amount repaid in the 6 August 1985-July 1986 period totals $219,369,000. Moreover, the credit organizations have granted us $288,273,000 over the same period.

In addition to the old crisis affecting the mining and metallurgical sector, we have experienced in recent years the lack of a comprehensive policy to confront the serious problems that were affecting a key economic sector. This lack is now obvious as the mining sector is being punished by a virtually vertical fall in tin prices and a general decrease in the prices of other minerals.

We must also note other negative factors such as the previous monetary policy, which far from promoting exports, hindered them by enforcing an unreal exchange rate. Also, the enforcement of a system of allotment of foreign currency that did not favor those who generated it. In sum, this was the legacy that the government inherited. It was compelled to design a new policy that sought to amend existing distortions with the objective of eradicating, or at least reducing, the deficit to reasonable levels while at the same time achieving an increase in exports. Unfortunately, the international situation was a negative element in view of the price fall which seriously affected the availability of currency and income for both the national treasury and the [word indistinct] departments.

In view of the collapse of the tin mining sector, to which the solution is not seen in the short term, the government has drafted some general guidelines regarding policies to be enforced for this sector. The mining sector, which was predominantly centered on tin mining, will be reoriented to the export of high-value minerals such as gold, silver, [name indistinct] complexes and other nontraditional minerals both metal and nonmetal. The exploitation of tin will be confined to those high-purity deposits which can be profitable in view of the present international market situation. There is new hope regarding additional tin deposits in Beni and Pando Departments, which can be exported at low cost. [passage omitted]

Important complementary work for the extension of the Concani microwave system with Argentina with a capacity of 960 channels has been concluded. [passage omitted]

The serious economic deterioration and the constant actions by labor union movements gave the state social organizations a busy time seeking solutions to the various disputes, many of which were illegal. A glance at statistics will show that in 1984 the country lost a total of 2,573 work days because of 501 strikes and stoppages in various sectors. From January through July 1985, 1,131 work days were lost in 229 stoppages This situation changed in August 1985. In the year since, we have had 183 strikes and stoppages with a total loss of 695 work days. The country is returning to normal, although slowly and with difficulty. [passage omitted]

The state's power has diminished in the past few years because of systematic actions by social, economic, and regional groups which in some cases through acts of force, were able to impose their interests above the measures taken by the government. As a consequence, the country reached the brink of anarchy. The priority task of the new government was to restore the principle of authority, because its enforcement, in keeping with the laws, is essential in any organized society. We carried out this task without abuses or arbitrariness. We strictly abided by the Constitution, not only because it was the undeniable duty of any government, but also because we believed that in doing so we were preserving the democratic regime.

The measures adopted in the economic field on 29 August were violently rejected by those who saw a threat to the parallel de facto power they exercised. In view of this open rejection and in view of the damage to some state assets, we were forced to take the emergency measures provided for in our laws. We proceeded with great care in implementing these laws, only restricting the individual rights of those who openly ignored the laws and created a state of social commotion. Now that this moment of unrest has been overcome, the entire citizenry, without exception, enjoys all constitutional guarantees.

We have faced the problem of drug trafficking in our country and the rest of the world with courage and calm. Its expansion and threat prompts us to regard it as a universal crime without limits. If we tolerated it we would be guilty of a flagrant crime against mankind. To implement an isolated and nonsystematic campaign with insignificant financial (?resources) and an inadequate structure is unfeasible because of the drug traffickers' great economic power and the network of criminals engaged in the drug production and in trafficking, and the numerous ins and outs of the vast distribution of drugs in the consumer markets.

As Pope John Paul II has stated, it is obvious that drug trafficking and consumption have created a new vice in the world which must be eradicated to prevent it from causing material and moral harm. Therefore, an all-out war must be launched against this dreadful scourge. It would be frankly absurd to resort only to traditional weapons to confront this new crime. This is why the government has carried out a joint operation with the aid of the U.S. specialized mechanisms with the purpose of curbing drug production and trafficking in our country.

The presence of a U.S. Justice Department personnel and a binational antidrug operation stems from a shared point of view in the struggle against drug trafficking, which causes us so much moral damage in the eyes of the rest of the world. It should be pointed out that on 11 August 1983 Bolivia and the United States signed an agreement to participate in joint actions to control and repress drug trafficking and to reduce the production of coca leaves. Within the OAS framework, Resolution No 699 of 14 January 1984 expressly recognized the universal scope of the illegal traffic of drugs and dangerous substances by declaring that, quote, drug trafficking is a crime against mankind and must be punished accordingly, unquote.

The United Nations, the OAS, and other international organizations, such as the Andean Parliament, have consistently pointed out that the international nature of drug trafficking requires repressive action on an international scale. On 11 August 1984 in Quito the presidents of Bolivia, Colombia, Venezuela, and Ecuador signed a declaration stating that the increase of organized crime due to drug trafficking and illegal drug use had surpassed the limits of isolated actions by the countries, and as a consequence, it is necessary to take multilateral actions. They also considered drug trafficking a crime against mankind which should be punishable accordingly. On 28 May the Foreign Ministry sent a note to U.S. Secretary of State George Shultz stating that, quote, on balance, the actions undertaken in Bolivia with the cooperation of the U.S. government within the framework of the struggle against this international crime, is not satisfactory. The police, land and air resources, weapons, effective support for carrying out intelligence operations, etc, are obviously weak compared to the magnitude and power of the resources of this organized crime. Surveillance operations carried out by our police forces with U.S. technical aid represent the major factor of this struggle, unquote.

The note adds that, quote, the quantity of cooperation is absolutely insufficient, the programs are not coordinated within the framework of an overall strategy, despite the fact that it was proposed to the U.S. Government in 1982. Moreover, we believe that in view of a crime of such serious ethical, biological, and social consequences this program not only affects the interests of our country but also those of the people of the entire international community and, in particular, the United States and the European industrialized nations where addiction to this vice has increased, unquote.

But it must be pointed out that a greater U.S. effort to eradicate increasing drug trafficking and addiction within its own territory is necessary for this antidrug campaign to be more effective. We are aware that we are one of the parties involved in this campaign but we expect a more integrated struggle from our partners.

The prospects are worrisome. In the huge problems stemming from drug trafficking, Bolivia only occupies a small part of the map of the world and is only a secondary (?link) in the large chain of billions of narcodollars. We have an unavoidable commitment to our people and to all the people of the world to launch a profound struggle against drug trafficking and we hope that in this difficult task no Bolivian citizen who loves his fatherland will refuse or remain indifferent to this national task which affects our dignity.

The strictly institutional behavior of the Armed Forces and their support to the democratic and constitutional regime is praiseworthy. A new concept of the Armed Forces intrinsic functions has replaced former concerns which in the past have diminished the respect they deserve. The Armed Forces have behaved in a responsible manner when it was necessary to implement emergency measures to safeguard constitutional order threatened by general strikes. Mention should also be made of the regular manner in which military activities have been carried out despite drastic budget cuts. Military functions have developed within the framework of the Constitution and its organic law, without divisions of any sort. It is only fair to point out that the republic should be thankful to its Armed Forces. [passage omitted]

In keeping with its foreign policy, Bolivia has carried out intensive actions in the field of bilateral relations with friendly nations as well as in the multilateral field.

The relative international isolation and the loss of credibility which marked the previous administrations because of an unfavorable foreign front and other obstacles, such as an internal anarchic regime, have been overcome through a policy of contacts and opening. The results of this policy can be appreciated in the current image of security and confidence that Bolivia has abroad.

The government confirms its support of the basic principles that guide the international and regional organizations as well as of the postulates of the Nonaligned Movement. Bolivian foreign policy is aimed at increasing and intensifying diplomatic relations with all the countries of the world by upholding dialogue and by respecting the principles of equality among the states; self-determination; nonintervention and noninterference in domestic affairs; respecting sovereignty and human rights; criticizing and repudiating all forms of racism; rejecting any forms of colonialism or neocolonialism; opposing the use of force with the purpose of usurping or occupying foreign territory; condemning the new criminal practice of international terrorism and all nations that oppose establishing a peaceful world community; supporting total disarmament, particularly to avoid the threat of a thermonuclear war; support a new international economic order, cooperation and development. These are the main aspects of the Bolivian theory for the peace, well-being, and developing of human beings.

At this moment the Bolivian Government's foreign policy is mainly focused on strengthening economic and cooperation relations to increase and intensify the currents of investments and supporting development and cooperation for the implementation of a new economic policy to promote monetary stability and the reactivation of the productive apparatus.

The first international action is related to obtaining an emergency social fund from the United Nations. This measure had the support of outstanding international personalities like Venezuelan President Jaime Lusinchi, Spanish President Felipe Gonzalez, and, especially, UN Secretary General Javier Perez de Cuellar.

Despite budget restrictions, several international bilateral meetings have been scheduled for the purpose of reactivating the joint cooperation commissions to diversify and execute programs of common interest.

Following trips by the Bolivian foreign minister to Argentina, the PRC, and Spain, as well as visits to Bolivia by the cooperation ministers of The Netherlands and the FRG, the Peruvian foreign minister, and the UN secretary general, and negotiations carried out by our ambassadors, meetings of joint commissions and specialized commissions have been held, after many years of interruption, in Argentina, the PRC, Peru, the FRG, the Soviet Union, and Brazil. The vice premier and the planning and coordination minister of the ROK visited Bolivia seeking cooperation and strengthening of links.

Regarding the century-old problem of our landlocked situation, the recognition of and solidarity with the Bolivian cause has been reiterated by regional organizations and the Nonaligned Movement.

Anyone who carefully observes Latin America's international situation realizes that we are experiencing a new era. One of the main characterstics of this new era is the seeking of a solution through dialogue or arbitration to century-old problems that have prevented a more fraternal coexistence between nations of the same origin and future. Within this context we have taken the initial steps for a rapprochement with Chile with the purpose of creating a climate that will allow a negotiated solution of mutual benefit regarding the main problem as well as agreements on other regional issues.

Relations with the Catholic Church are cordial, based on mutual respect and understanding. Mention should be made of the imminent Christian task being carried out by the Catholic Church as well as by some Evangelical congregations, which carry out active pastoral, social, and cultural assistance activities in favor of the most needy sectors.

It should be pointed out that the benefits obtained by Bolivia from the integration process have not made its foreign trade more dynamic. Within the Andean Group's case, our exports of $48 million in 1980 dropped to $16,230,000 in 1985. Bolivia has participated intensely in the [word indistinct] integration systems based on the following guidelines: the need to turn integration into an effective tool of support for countries facing adversity; the priority treatment that should be granted to the agricultural, agro-industrial sectors and their physical infrastructures; keeping in mind that their development and technical improvement, consolidate, broaden, and diversify the productive systems in activities such which we are certain will be competitive; the preferential treatment of freight; greater commercial opportunities; and favorable conditions granted by the financial institutions to the southern region.

On our independence day, I wish to conclude by calling on all Bolivians, whatever their social or political position to build together the nation our forefather envisaged when Bolivia -- which was named after Bolivar -- emerged as a nation. I envisage a better future for all Bolivians but, to ensure our future, we all must make the necessary effort to make Bolivia a nation with progress and social justice to promote a better life for everyone. In this endeavor, I extend a fraternal invitation to all Bolivians to undertake this great task for which our children will feel a legitimate pride.

BEDREGAL SAYS U.S. ANTIDRUG AID 'UNSATISFACTORY'

PY092234 La Paz La Red Panamericana in Spanish 1130 GMT 9 Aug 86

[Excerpt] According to a report from Bogota Bolivian Foreign Minister Guillermo Bedregal Gutierrez has said that the U.S. conduct in the struggle against drug trafficking in Bolivia is unsatisfactory and that the resumption of relations with Chile has not been discussed.

Bedregal, who has been in Bogota since 6 August representing the government of Victor Paz Estenssoro at the Colombian presidential inauguration, met on several occasions with his Chilean counterpart Jaime del Valle. Bedregal stated that the U.S. effort to reduce coca growing in Bolivia has been minimal in comparison to the high percentage of U.S. drug consumption. The struggle against the demand for the drug within U.S. territory is not enough and should be increased. Bedregal added that a single country cannot be held responsible for drug trafficking and that it is the responsibility of the international community to face this crime.

During a press conference Guillermo Bedregal pointed out that the meetings with Chilean Foreign Minister Jaime del Valle were cordial, but explained that the resumption of diplomatic relations with Chile was not even mentioned. He added that the meetings with Del Valle were relaxed, cordial, and friendly. He said: We discussed international issues and agreed to continue in the conversations during the UN General Assembly in New York in September. [passage omitted]

GOVERNMENT SETS DEBT REPAYMENT CEILING

PY081631 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 8 Aug 86

[Text] According to the JORNAL DO BRASIL news agency, Brazil does not (?intend) to transfer more than $5 billion to meet its foreign debt obligations. The agency has reported that the decision has already been made at the highest government level and that other Latin American countries, with which President Jose Sarney has exchanged views on the subject, will announce that they too have established ceilings for their foreign debt repayments.

The agency said that a continental solidarity has emerged, based on the principle that the countries that are facing difficulties cannot jeopardize their economic growth to serve big creditors. In addition to establishing the $5-billion ceiling, Brazil maintains that creditors must suggest formulas for renegotiating its remaining obligations. The deadline given to the Brazilian Government for renegotiating a large portion of its debt will expire in October, when Brazil will have to reach a new agreement or adopt a unilateral decision.

DAILY REPORTS UNDERGROUND NUCLEAR FACILITIES

PY081928 Paris AFP in Spanish 1841 GMT 8 Aug 86

[Text] Brasilia, 8 Aug (AFP) -- The newspaper FOLHA DE SAO PAULO today reported that the Brazilian Government is building underground facilities for testing nuclear missiles and to store nuclear waste in southern Para State, which is in northern Brazil.

This information has not yet been officially denied. However, the newspaper quotes a presidential spokesman as saying that President Jose Sarney is not aware of any document on the subject. This afternoon the Brazilian Armed Forces staff will publish an official communique. FOLHA explained that the facilities are being built in a military zone in the Cachimbo range, 1,200 km north of Brasilia.

According to the newspaper, scientists from the Advanced Research Institute (IEAV) and the Space Research Institute (IAE), both part of the Sao Jose dos Campos space center, are participating in the project under Armed Forces staff supervision. Sao Jose dos Campos is located 100 km from Sao Paulo. The newspaper added that technicians from the Navy Research Center and the Sao Paulo Nuclear Research Institute have for several years been working on a nuclear weapon design project.

Plans for Nuclear Tests Denied

PY081953 Paris AFP in Spanish 1934 GMT 8 Aug 86

[Text] Brasilia, 8 Aug (AFP) -- A communique issued by the Presidency of the Republic today officially denied a report published by the newspaper FOLHA DE SAO PAULO that the Brazilian Government intends to construct in the south of Para State, in northern Brazil, underground installations to test nuclear bombs. The communigue stated that Brazil has no plan to produce nuclear weapons, does not have the necessary know-how to do so, and does not have any test programs in this field.

The text of the communique states that upon signing the Tlatelolco Treaty, the Brazilian Government committed itself to using nuclear energy exclusively for peaceful purposes.

Moreover, the communique states that the Serra do Cachimbo Military Base, which the newspaper mentioned as the site for the construction of a nuclear test base, is currently under the administration of the Aeronautics Ministry, which is carrying out projects to test material and equipment for the development of aerospace know-how, which is of interest to national security.

GOVERNMENT ANNOUNCES NUCLEBRAS REORGANIZATION

PY081555 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 8 Aug 86

[Excerpt] Nuclebras will be restructured following the new guidelines of Brazil's nuclear policy. Correspondent George Bamburger filed this report:

[Begin recording] [Bamburger] This information was released by Mines and Energy Minister Aureliano Chaves, who commented on President Jose Sarney's approval of a message that the ministry submitted to the presidency. The message recommends that the construction of the Angra II nuclear plant be completed and that Angra III be built.

[Chaves] We have decided what to do with the nuclear program. We will complete construction of Angra II and we will build Angra III. So this is where we stand now. What are our prospects? Faced with the current situation, we have to restructure Nuclebras, because this company was designed for a more ambitious nuclear program. Thus, it must be restructured, right? Now, we must also promote nuclear research, for which purpose we might have to transfer some employees. [end recording] [passage omitted]

CUT HEAD DISCUSSES BOARD ELECTION RESULTS

PY081200 Sao Paulo FOLHA DE SAO PAULO 5 Aug 86 p 6

[Text] Jair Meneguelli, president of the Sole Central Organization of Workers (CUT), has decided to request the opinion of the Interunion Department of Statistics and Socioeconomic Studies (DIEESE) regarding the results of the elections for the CUT's National Executive Board. He made this decision after a stalemate of 2 hours and 23 minutes due to arguments over the proportionality criteria which were adopted by the commission regarding the votes obtained by each of the three slates of candidates. Meneguelli promised to review the membership of the Executive Board in case it is found that there were mistakes in the application of the proportionality criteria. Meanwhile, the new executive board, of which Meneguelli is president, will now comprise 5 labor leaders with connections to clandestine leftist organizations and 10 labor representatives from the PT [Workers Party] and from the PDT [Democratic Workers Party].

The Second National Congress of the CUT took place in the Maracanazinho stadium in the northern part of the city. It ended at 0140 yesterday, after heated arguments between supporters of the three slates. The ballot was secret, and of the 5,181 delegates eligible to vote, 4,260 actually voted. Slate No. 1 obtained 2,522 votes; No. 2, 1,219; and No. 3, 466 votes. There were 19 invalid votes and 34 blank votes (these belonged to the recently created Workers Revolutionary Party). Therefore, slate No. 1 will have 10 members on the Executive Board and 3 substitutes; No. 2, 4 members and 1 substitute; and No. 3, 1 member and 1 substitute. In a press conference yesterday in the CUT offices in downtown; Rio de Janeiro, Meneguelli said that the CUT intends to bring rural and city workers closer together to jointly draw up a plan to fight violence in the countryside.

The CUT president also said that the organization receives donations in money from foreign organizations through agreements. He added that the government is aware of all donations because all the operations are made through the Central Bank. "I can guarantee that not 1 cruzado received through these agreements was used to organize the second National CUT Congress or to buy weapons," said Meneguelli.

GOODS USED TO PAY FOR SOVIET FREIGHT CHARGES

PY080336 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Aug 86 p 33

[Text] Of the 100,000 tons of meat the government is buying from the EEC, 12,000 tons will be transported to Brazil in the holds of the Soviet ships "Kurskiy," "Arvid Perlshe," "Belgorod," and "Akademik Chaloney." The importation of meat has generated an unprecedented deal: Interbras [Petrobras International Trade, Inc], the trading branch of Petrobras, has signed a countertrade contract with the Soviet Union, whereby the freight charges for the Soviet cargo ships will be paid with Brazilian goods.

Interbras Executive Vice President Josemar Nascimento explained that the trading company only promotes trade, since shipments are handled by the Lloyd Brasileiro under existing legislation that makes it mandatory to ship imports in Brazilian-flag ships.

Since the state shipping company does not have enough cold storage ships to transport the meat being imported, Nascimento said, the natural solution is to contract cargo ships. Interbras, Nascimento continues, submitted to Lloyd Brasileiro the shipment price quoted by the Soviet enterprise Sovfracht. Since the Sovfracht price was the best, four of its ships were contracted.

According to Nascimento, the Soviet ships were contracted at an average price of $0.62 per ton. Loading of the Kursky has already begun in the Italian city of Bologne, according to Interbras. This first shipment of 3,000 tons will be unloaded at the port of Recife, Pernambuco state. The points of loading and unloading have not yet been determined for the three other ships.

The Interbras vice president said that the need to import meat made possible this deal with the Soviets, since there is difficulty in identifying Soviet products in which Brazil may have interest. It was decided to exchange services for products, when early this year Interbras learned of the availability of Soviet ships.

Under the contract, Soviet ships can also be hired for other purposes, such as the transport of crude oil. The contract stipulates that 85 percent of the freight cost be deposited in a special account in a Soviet Bank for purchase of Brazilian goods.

Instant coffee and textiles are some items in which the Soviet Union is interested and, according to Nascimento, two contracts have already been signed with two Soviet enterprises to export these products. Interbras, however, expects that these operations will not be concluded for 3 months, because samples and specifications of the merchandise are just now being submitted.

INTERVIEW WITH FOREIGN MINISTER DEL VALLE

PY091256 Santiago QUE PASA in Spanish 31 Jul-6 Aug 86 p 19

[Interview with Foreign Minister Jaime del Valle by unidentified reporter; date and place not given]

[Text] [Reporter] What is your opinion of the current status of Chilean foreign relations?

[Del Valle] International political organizations have orchestrated a political campaign against the Chilean Government. The influence of such organizations, which are very powerful, can be felt not only at the bilateral level, but also in multilateral forums. Some sensitive areas, like human rights, clearly reveal how such groups operate and exert their influence. From a political standpoint, this influence has caused animosity toward the Chilean Government in some countries with which we maintain cordial diplomatic relations. I am talking about South American countries. A foreign minister not long ago said that political problems "hinder" the economic ties with our country.

[Reporter] Were you talking about politics when you said that 90 percent of the countries are enemies of Chile and only 10 percent friends?

[Del Valle] I want to make it clear that this interpretation is an abuse on the part of the mass media in connection with a rhetorical phrase I used in an impromptu speech I delivered at a technical organization. This phrase must be interpreted within the context of the speech. Even though we are the target of international harassment, caused, for example, by human rights problems, and even though our friends do not seem to be so friendly to us, we are making progress on several domestic problems. When I said 90 percent I was giving an example. The figure is lower than the [human rights resolution against Chile] vote in Geneva and higher than the vote at the OAS. I deplore that so much has been said about a speech that received a standing ovation.

[Reporter] Why does the world public criticize Chile so strongly?

[Del Valle] The opposition has clearly said that the government must be destabilized in 1986. Consequently, they are concentrating their efforts this year. Chilean politicians have strongly, almost desperately, pressured their parties, and their action has yielded results, because countries have reacted and have let their voices be heard. But this strong pressure has failed because the political sanctions that they have desperately demanded have not been imposed. The Volio report, which was criticized because of its unfairness, admitted that there are pocitive things in Chile. The United States, for its part, has given up the aggressive policy it adopted early this year.

[Reporter] Yet the public believes exactly the opposite.

[Del Valle] The only exception was that of the painful case of the burned students, with all its consequences, which affected our normal relations with the United States. Since [U.S. Deputy Assistant Secretary of State Robert] Gelbard's visit there has been a trend toward normalization in our relations. I will not analyze what he said, but I believe he has been pretty clear. As an example, I can report that the Antaveri Airport [U.S.-sponsored project on Easter Island] will be dedicated in a few weeks.

[Reporter] Do you fear any economic retaliation by the United States?

[Del Valle] No. The U.S. State Department's response does not seem to point toward this. Everyone knows well that an economic sanction would not really affect the government, but it would affect the people. It would be absurd to apply such sanctions when it is widely recognized that Chilean economic policy is coherent and positive.

[Reporter] Aren't you afraid of the highly publicized U.S. motion against Chile in the United Nations regarding human rights?

[Del Valle] We must wait until the UN observer gets our reply, analyzes it, and becomes aware of the measures we will apply between now and October.

[Reporter] Which is not a long time...

[Del Valle] But there is the possibility of political legislation, according to the announcements by the Interior Ministry. New political issues may be raised.

[Reporter] In their recent meeting, the Chilean ambassadors said that the main cause of our political difficulties abroad are: the problem of exile Chileans, the stalled transition, and the government's lack of clarity regarding 1989.

[Del Valle] We have always experienced pressure regarding the exiled people. Our ambassadors have always requested that we study this subject. The government continues with these studies; there is full awareness of the influence of the exiled persons issue. Therefore, we always try to calm our ambassadors. (However, for the moment, there is nothing concrete on the subject.) Regarding the transition, a timetable has been established and the ambassadors must emphasize to the other countries that it will be followed.

[Reporter] The ambassadors say that no one believes them.

[Del Valle] They must show the timetable and stress that it will be complied with thoroughly. Before the end of the year the government will prove it keeps its promises. And regarding 1989, the president's clear and categorical speech to the mayors clarifies the outlook.

[Reporter] It is said that the existence of a military regime is not understood abroad, and that this fact will always hinder our relations.

[Del Valle] There are two great pressures on Chile: that of the USSR and its satellite countries, which will never forgive our "sin;" and that of democracy. Some countries are really more concerned with labels than with facts. These countries exert pressure, but they are forgetting that Chile sincerely wants democracy and that the 1980 Constitution, approved by a referendum, will lead us to full democracy.

[Reporter] With what country does Chile have good political relations?

[Del Valle] I will not answer that.

[Reporter] One of the arguments that demonstrates Chile's isolation is that the president makes few visits abroad and very few foreign dignitaries visit us.

[Del Valle] This can be answered by what I said before about Chile's international reality. Besides, we maintain good relations with Asia, Korea, Singapore, Pakistan, Egypt, Morrocco, Israel....

[Reporter] The Foreign Ministry's discrimination based on ideology is criticized. It almost seems like a crusade, like when Reagan and Gorbachev meet.

[Del Valle] That is an unjustified charge. The Soviet-orbit countries are the ones that are undertaking a crusade against us. We have expressed our wish to maintain with all the countries of the world so long as they respect our self-determination and the principle of nonintervention. The best example of this is our good relations with the PRC and Romania. This clearly shows that ideology is no obstacle to Chile's maintaining good relations with different countries.

INTERIOR MINISTER ON CHURCH RELATIONS, TORCHINGS

PY082047 Santiago EL MERCURIO in Spanish 1 Aug 86 p C3

[Excerpt] Chilean Interior Minister Ricardo Garcia Rodriguez yesterday said that he has never thought that relations between the government and the church has deteriorated. He added that he thinks that the two institutions have a profound respect for each other.

The interior minister discussed several matters of national interest in an informal talk with the press after having attended a ceremony at the Carabineros School.

Concerning General Fernando Matthei's statements in Punta Arenas on several political questions, Minister Garcia said that the words of the members of the Government Junta should not be commented upon by other government officials or by the executive branch.

He also refused to comment on the statements by Cardinal Fresno and the Supreme Court on the case of the torched youths. "We members of the government fully respect the autonomy of the judicial branch, and never comment on a situation which is pending. The decisions of the judicial branch are subject to what is established by the law and, consequently, I do not wish to comment on Cardinal Fresno's statements, or on the answers given him by the Supreme Court. It is a question that does not concern us as government officials, or as members of the executive branch. Therefore, it is not up to me to make any additional comment," he said.

Regarding the presence in Chile of U.S. lawyers, Garcia said that he believes that they have come to Chile in order to get to know how Chilean justice actually functions. He pointed out that in law there is a subject called Comparative Jurisprudence, which deals with foreign laws.

He added that the foreign lawyers will have the opportunity to learn several important things, because the Chilean legislation and its judicial organization follow extraordinarily important principles, which have even been learned and copied by other nations of the world. [passage omitted]

VIEWS DIFFER ON EXISTENCE OF TORCHING VIDEOTAPE

PY081435 Santiago LA TERCERA DE LA HORA in Spanish 2 Aug 86

[Text] Argentine television journalists have made contradictory statements to LA TERCERA DE LA HORA regarding the existence of a videotape of the burning of Rodrigo Rojas and Carmen Gloria Guintana.

Hugo Paredes of Channel 9 based in Rio Gallegos did not hesitate in the least to say: "The images we saw showed youths engulfed in flames."

[Reporter] Are you sure?

[Paredes] I am absolutely sure. The clips are real and were taken from a distance by a French television crew.

He then added that the videotape was shown about 10 days ago in the program Buenas Noches, Argentina, which is aired over a national network headed by Channel 13 in Buenos Aires.

[Reporter] Aren't they scenes reproduced by actors to dramatize the case?

[Paredes] I can assure you that they are not. What we saw were two youths on fire. The moment the fire starts is not seen, only two bodies in flames.

Considering the importance of this information, LA TERCERA DE LA HORA got in touch with Channel 13 in Buenos Aires in order to confirm the existence of that videotape. We explained to Channel 13 News Director Sergio Villaruel that the Bishopric of Magallanes had reported the existence of that videotape, which was seen by some people in Rio Gallegos. We read to him the papagraph that says that the videotape was seen "on a news program of the ATC television network which was carried by Channel 9 in Rio Gallegos."

A that point, the Argentine journalist interrupted the reading to say that "that statement entails confusion, because the ATC television network has nothing to do with Channel 9 in Rio Gallegos. This is the same thing as though in Santiago Channel 7 were confused with Channel 13, which are two totally different stations."

Villaruel then added that the program Buenos Noches, Argentina, which is transmitted throughout the country, has never carried a documentary showing two youths engulfed in flames. He vehemently affirmed: "Can you imagine if we had done something like that... it would be reported every day for a week on the front page of all the world's newspapers. We only showed some testimonies that were gathered by the SIN network, showing the place where the two youths were burned. We carried this as we would any other journalistic piece of information."

Villaruel also asserted that any such videotape would have nothing to do with French Television, because it did not send crews to Chile to report on these events.

Upon our insistence that a journalist at Channel 9 in Rio Gallegos had assured us that he saw the videotape in the program Buenos Noches, Argentina, Villaruel insisted that "this is false."

In a peevish mood he said goodby, adding that he was going to call Rio Gallegos to clear up this matter, "because this cannot remain as it is."

Rio Gallegos [subhead]

Puerto Natales, Rio Gallegos (by Alfredo Fernandez) -- The Rio Gallegos television station does not have nor has it transmitted any videotape on the case of the burned youths that took place in Santiago on 2 July.

In this city, LA TERCERA DE LA HORA contacted the Press Department of Channel 9 and talked with Carlos Fernandez, a journalist of the program Actualidad 9 of that television station.

Carlos Fernandez told us that all the information the station had received about that case came from Buenos Aires on the program Buenos Noches, Argentina on the national television network, adding that "neither officially nor clandestinely, has such a videotape been available here."

Bishop Gonzales

Punta Arenas (by Jose Calisto G.) -- All that the bishop of Punta Arenas, Monsignor Tomas Gonzalez, had to say about the case of the burned youths was said in communiques. Now, he only wants to see the case resolved, because, as Cardinal Juan Francisco Fresno said, the decision by Judge Echevarria was clearly insufficient to assuage the concern the case raised in the country. This comment was conveyed by Mauro Barrientos of the Bishopric Communications Department, who thus confirmed the Bishop of Magallanes' decision not to talk again about the videotape.

In a public statement released yesterday, Monsignor Gonzalez confirmed that he had seen in Santiago a videotape of the events leading to the death of Rodrigo Rojas Denegri and the serious burning of Carmen Gloria Quintana -- a videotape that is different from the one that has been shown in Concepcion.

AUTOPSY PERFORMED ON STUDENT LEADER MARTINEZ

PY090352 Madrid EFE in Spanish 2332 GMT 8 Aug 86

[Excerpts] Santiago, 8 Aug (EFE) Radio Cooperativa tonight reported that the autopsy on student leader Mario Martinez Rodriguez does not rule out the possibility of suicide or homicide. According to a Cooperativa relay from the forensic institute, the autopsy revealed that the exact cause of his death was "drowning." The report adds that the possibility of "suicide or homicide has not been ruled out" and that toxicity examinations have been ordered to determine whether there were drugs in his body and what sort of food he had eaten before his death.

The autopsy -- which was carried out before a special judge appointed to hear the case and a doctor, who is a family friend -- has also determined that Mario died 4 days ago, according to the radio station. [passage omitted]

According to the autopsy, Mario died on 2 August [date as received], the day he disappeared. [passage omitted]

GEN LEIGH LAUDS INVESTIGATION OF MISSING

PY081514 Santiago EL MERCURIO in Spanish 6 Aug 86 p C7

[Excerpt] Retired General Gustavo Leigh, former Air Force commander and former member of the Chilean Government Junta, yesterday stated that he is "satisfied that a case of missing persons is being investigated." He made this statement through his lawyer Jorge Ovalle, when asked about a prohibition against his leaving the country issued by Judge Carlos Cerda.

The judge is investigating the case of 10 persons missing since December 1976. Nine of the 10 belong to the proscribed Communist Party. Cerda was consulted yesterday about his ruling, but he neither denied nor confirmed it.

Ovalle said that there are 21 persons banned from leaving the country, and not 32 as reported initially, and that "they include members of various military branches and civilians."

He added that Gen Leigh will not contract the services of a lawyer to defend him because he is "satisfied that the case of missing persons is being investigated."

Ovalle stated that Gen Leigh had told him that the prohibition from leaving the country "does not affect him personally because he does not intend to leave Chile."

Leigh added that he considers the prohibition "a contribution to the truth, and that he hopes that this case will be resolved completely."

Ovalle concluded by saying that the former Air Force commander has testified twice in the past 30 days before Judge Carlos Cerda. [passage omitted]

AD REJECTS CRITICISMS BY PRESIDENT PINOCHET

PY081916 Santiago LA TERCERA DE LA HORA 2 Aug 86 p 6

[Text] The Democratic Alliance (AD) met yesterday in a special session and released a document rejecting the comments by President Augusto Pinochet against the "Chilean political leaders." The document says that "no one has the right, least of all one who uses and abuses the property of the state, to describe as dishonest politicians who have made austerity a way of life."

The document adds that "the example of men like Anibal Pinto, Arturo Alessandri, or Juan Antonio Rios, who left the highest office in the nation with nothing but their honesty, is guiding the Chilean political leaders."

The declaration stresses that "no one has the right to term ambitious the politicians who only want the Chilean people to choose their own leaders, and they want those leaders to respect, without limitations, the people's sovereign will."

It adds: "No one has the right to disqualify a political leader for the sole act of accepting invitations from foreign democracies, under circumstances that are nowadays part of normal political activities."

The AD "calls, once again, for good sense and prudence."

AD LEADERS MEET WITH L.A. AMBASSADORS

PY030138 Madrid EFE in Spanish 0227 GMT 2 Aug 86

[Text] Santiago, 1 Aug (EFE) -- Former Foreign Minister Gabriel Valdes, the president of the Christian Democratic Party [PDC], has stated that the meeting of the members of the opposition coalition Democratic Action [AD] with the Latin American ambassadors accredited in Santiago was a social "and not a work meeting." The leaders of the alliance indicated that the meeting was a luncheon held yesterday in the Argentine Embassy and that the Paraguayan ambassador was the only one who did not attend.

The Chilean politicians who attended the meeting were Enrique Silva Cimma, president of the Radical Party; Rene Abeliuk, president of Social Democracy; and Socialist leader Ricardo Lagos.

The members of the alliance pointed out that during the luncheon, given by Argentine Ambassador Jose Maria Alvarez de Toledo, the participants held "lengthy" conversations about the recent integration agreement signed by Argentine President Raul Alfonsin and Brazilian President Jose Sarney in Argentina.

PRESIDENT BARCO TALKS WITH SECRETARY SHULTZ

PA090118 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 8 Aug 86

[Text] President Virgilio Barco agrees with the U.S. Government on the need for continued efforts to confront terrorism and drug trafficking and to fortify standards of democracy in Central America.

U.S. Secretary of State George Shultz held talks with the newly inaugurated President Virgilio Barco for nearly an hour. They reviewed market problems [word indistinct] such as the region's foreign debt. President Barco revealed that Colombia expressed its concern over the U.S. noncompliance with the Torrijos-Carter Treaties for the sovereign operation of the Panama Canal. Last night President Reagan promised the United States would comply with the accords.

BARCO EXPLAINS CONSERVATIVE PARTY APPOINTMENTS

PA082224 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 8 Aug 86

[Text] President Barco warned he would name Conservatives to the ministries, despite the party's desire not to participate in the new government, as he considers this desire does not relieve him of the specific constitutional obligation to allow the runner-up party in the election to participate in the government.

In a message addressed to the Conservative Party directorate, moments after reporting on his first Cabinet, President Barco noted the administration of the state is open to all citizens, male and female, without discrimination by party affiliation.

In his message to the Conservative directorate, President Barco said he named Conservative ministers in compliance with paragraph 120 of the National Constitution, which establishes that the president of the Republic will directly name certain officials, in this case cabinet ministers. He said: This paragraph has been interpreted in various ways, and I have preferred to follow the most strict definition, or if you prefer the most specific.

The new president recalled the Conservative statement to seek common objectives for Colombians. Barco Vargas added that he asked that this letter be interpreted in the best spirit. He said: Reading your declaration has left me with the conviction that the Conservative Party and all Colombians will proceed through this stage with the most noble and serene decision to contribute to coexistence, which is what the country needs and desires. He concluded by requesting that he be informed officially of the Conservative criteria for these high government posts.

3 Conservatives Decline Posts

PA081843 Bogota Television Service in Spanish 1735 GMT 8 Aug 86

[Text] Three Conservative ministers who were appointed to the Cabinet have declined their posts. They are Development Minister Mario Calderon Rivera, who is currently manager of the Central Mortgage Bank; Communications Minister William Fadul, who is currently director of Facecolda [not further identified] and Health Minister Ignacio Velez Escobar, a physician from Antioquia.

A decree announcing the names of the three Liberal ministers who will replace the three Conservatives who did not accept their appointments is expected in the next few hours. However, sources close to President Barco categorically denied that replacements for the Conservative ministers have already been chosen. They also denied reports in which names such as Eduardo Maestre, Gustavo Vasco, and (David Berch) have been mentioned as the people who will be named to occupy the vacant posts.

Liberals Fill Empty Posts

PA110212 Paris AFP in Spanish 0013 GMT 11 Aug 86

[Text] Bogota, 10 Aug (AFP) -- Three Liberal ministers were appointed today to replace the Conservatives who refused to cooperate with the government of Liberal President Virgilio Barco.

The press office of the Presidency reported that Barco appointed Miguel Merino as minister of economic development, Dr Cesar Esmeral as public health minister, and Lawyer Edmundo Lopez as communications minister.

All of the civilian ministers of the Barco government are Liberals. The Conservative Party announced that it will oppose all actions by the president who took office on 7 August.

BARCO MEETS WITH CONTADORA REPRESENTATIVES

PA082023 Bogota Television Service in Spanish 1730 GMT 8 Aug 86

[Text] Regarding foreign policy, President Virgilio Barco has announced that a just and feasible solution to the dispute with Venezuela over marine and submarine areas will be sought. He also expressed support for the continuation of the work of the Contadora Group. This morning he met with representatives of the Contadora and Support Groups.

Representatives of Uruguay, Venezuela, Panama, Argentina, Brazil, and Mexico agreed that the only path for a negotiated solution in Central America is the continuation of the Contadora Group efforts. After analyzing all aspects related to the crisis of the neighboring region, they decided to promptly initiate a meeting of the foreign ministers of the Contadora Group and its Support Group so that they can outline the essential strategy permitting Contadora to continue as a feasible alternative in the diplomatic efforts to resolve the Central American crisis.

The representatives of the Contadora Group and the support countries thanked President Virgilio Barco for his efforts to continue the negotiating group's actions. A communique was issued after a working breakfast in Narino Palace.

NEW GOVERNMENT REJECTS TALKS WITH M-19

PA092159 Paris AFP in Spanish 2038 GMT 9 Aug 86

[Text] Bogota, 9 Aug (AFP) -- President Barco today rejected the possibility of talks with guerrilla movement M-19 because of the subversive group's thirst for blood.

Special Presidential Adviser Carlos Ossa Escobar made the announcement Saturday on Radio CARACOL Network. In rejecting the possibility of talks with the M-19, Ossa said that it appears as if that group had a lust for blood.

Ossa Escobar stated that an honest and open dialogue will continue with the FARC's top command. The FARC accepted the amnesty which former President Belisario Betancur granted. He also told CARACOL: "The FARC is still prepared for dialogue. It seems to me that the M-19 will have to understand that the path it is following leads nowhere." "It is very sad to see how the M-19 is causing a bloodbath in the country. It believes that it is going to achieve lofty or idealistic objectives, but it is becoming isolated. I believe that sooner than later it will have to realize that that is not the way," he added.

DEFENSE MINISTER BACKS STANCE ON GUERRILLAS

PA090124 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 8 Aug 86

[Text] Defense Minister General Rafael Samudio Molina has said that the Armed Forces respect and back any decision made by President Virgilio Barco Vargas with regard to new talks with the guerrillas. Negotiations outside the peace process, despite the fact that the Army and the police have been targets of subversion, will also be supported. He stressed that talks should be held within the existing institutions, that the peace process has a good foundation, and that all that is needed execution of the measures for peace.

Gen Samudio Molina said that the peace process should be adjusted and revised and noted that President Barco has drawn up a policy for a new peace process, especially for its continuity.

The new defense minister, previously head of the Armed Forces, said he is completely informed on all public order matters and that the Armed Forces will support any new negotiations with the guerrillas that may be proposed by President Barco.

250 AMERICA BATTALION REBELS DESTROY BARRACKS

PA100258 Bogota Television Service in Spanish 0100 GMT 10 Aug 86

[Report by Raul Benoit]

[Text] The police barracks in Belalcazar, Paez municipality, were destroyed after an attack carried out by the National Guerrilla Coordinating Board. The attack lasted approximately 18 hours and was led by Carlos Pizarro Leon Gomez and Francisco of the Peruvian guerrilla group Tupac Amaru. The 18 soldiers in the barracks repelled the attack for more than 16 hours. There were 250 guerrillas from the M-19 and other Latin American groups from Peru, Ecuador, and Argentina. The America Battalion stole 5 million pesos from the Agrarian Bank, destroyed the police barracks and looted some stores. The guerrillas asked the soldiers to surrender, which they did after their ammunition was depleted.

[Begin recording] [First soldier] They took four rifles, only one of which was working properly.

[Second soldier] At 1800 we stopped firing and went to hide. They were searching for us. They could not find our weapons either.

Troops from the 3d and 10th Brigades are currently chasing the America Battalion guerrillas in Huila and Cauca Departments. Up to now, seven guerrillas and eight soldiers have been killed. [end recording]

MORE ON REBELS, EXPLOSION NEAR U.S. EMBASSY

PA080356 Bogota Television Service in Spanish 0113 GMT 8 Aug 86

[Text] Despite the relative calm that prevailed during the [inauguration] day, there were reports of problems of public order.

Early today, an armed column occupied the town of Belalcazar in Cauca Department, along the border with Huila Department. The Army General Command reported that the attack was carried out by members of the National Guerrilla Coordinating Board, as part of actions to be carried out during the transition of power. The guerrillas cut off communications and occupied the police station. There are not reports on casualties. Meanwhile, the 9th and 10th Army Brigades launched a counteroffensive from La Plata, in Huila Department. During the past week these brigades clashed in the mountains with M-19 and Guintin Lame movement forces.

This is the fourth such attack in less than 24 hours. The first attack was made on Nemocon, in Cundinamarca, by the National Guerrilla Coordinating Board led by the M-19, and four members of the Armed Forces were killed. Although special military forces were deployed in Bogota to guarantee public order, especially on this day, a low impact explosion occurred in front of the U.S. Embassy. The people who live in the neighborhood were frightened by the explosion.

SWISS DENY ASYLUM TO FORMER GUERRILLAS

PA090220 Buenos Aires REUTER in Spanish 0145 GMT 9 Aug 86

[Text] Bogota, 8 Aug (REUTER) -- Two former Colombian guerrilla members of the M-19 who sought asylum at the Swiss Embassy in Bogota 3 days ago abandoned the diplomatic mission today, but they continue to request political asylum, said an embassy official.

She said that the two men, who were pardoned in 1982, were turned over to the Justice Ministry officials who will keep them at a secret location for a maximum of 10 days, while they wait for a reply to their request.

The embassy official said that the two men -- Gustavo Fajardo Celis, a teacher, and Javier Posso Vargas, a lawyer -- will not get political asylum in Switzerland. However, encouraging contacts have been established with the UNHCR [UN High Commissioner for Refugees] which has its headquarters in Geneva.

On Tuesday the two men came to the embassy, which is located on an eighth floor, and said that they were being persecuted by the Army and paramilitary groups.

COMMUNIST PARTY'S MAIDANA ON ROLE OF OPPOSITION

PA072021 San Jose LIBERTAD in Spanish 1-7 Aug 86 p 8

[Interview with Ananias Maidana, second secretary of the Paraguayan Communist Party, by Arturo Fournier; date and place not given]

[Excerpts] [Fournier] How has the Paraguayan situation developed in the last few months?

[Maidana] A large sector of our population is changing the degree and manner of the struggle. [passage omitted]

[Fournier] How do the various political parties stand?

[Maidana] The country is experiencing a profound political crisis. As was shown by the 1 May and other demonstrations, a revolutionary crisis is underway. The masses demand Stroessner's resignation and the formation of transitional government characterized by a popular democracy. In view of that situation, four bourgeois opposition parties formed the National Accord. This group basically consists of the pro-U.S. landowners, who cry out for reconciliation with the dictator, in this way seeking a superficial change in Stroessner's public image. In that way they are also preventing the continuation of the mass struggle. Some of them have even said that they do not want another Nicaragua, much less a popular democratic government.

The U.S. ambassador to our country is playing an important role in that regard. He is trying to obtain an agreement that will change some figures closely identified with the regime, update Paraguay's dependent status, and grant a limited democracy, (which means a democracy controlled and directed by Washington). That limited democracy will be achieved through the creation of a civilian government, although the real power will be always kept by the fascist military clique.

[Fournier] What is the alternative to that dangerous, Philippine-style maneuver?

[Maidana] The peoples' and students' organizations are increasingly more united in their demands for the people themselves to take the lead in the change. From this unity, a new political organization called Democratic Paraguay was formed. Absolutely all political parties, labor movements, the Organization of Relatives of Missing Persons, solidarity organizations, etc., are part of this group, which has a very specific agenda in the struggle.

[Fournier] Are the government and the ruling class as united as the press says?

[Maidana] No, of course not! There are serious conflicts within the government, between the governement and the Armed Forces, and in all the fronts of the ruling party. This conflict has even resulted in shoot-outs among the various groups. [passage omitted]

[Fournier] And the Communist Party?

[Maidana] Despite the great difficulties, the horrendous repression, the disappearance and murder of many leaders, our party is present in the struggle promoting the popular democratic solution and opposing the U.S. maneuvers to take victory away from the people. We are convinced of our success and of the capacity of our protest to overthrow the dictatorship and install democracy in our homeland, in order to walk along paths of peace and prosperity.

ALVA CASTRO ANNOUNCES REDUCED PAYMENT TO IMF

PY091920 Paris AFP in Spanish 1601 GMT 9 Aug 86

[Excerpt] Lima, 9 Aug (AFP) -- Prime Minister Luis Alva Castro announced last night that Peru will pay only $35 million of the $180 million it should pay to the IMF before 15 August.

Alva stated publicly that the Peruvian Government will pay, according to its ability, the debt left by the former regime, but it will not take a single step backward in attending to the needs of the Peruvian people, particularly the most needy sectors.

In April Peru paid $35 million service on a total debt to the IMF of $800 million. At the same time Peru was given the deadline of 15 August to repay pending debts of $180 million.

The Peruvian prime minister stated: We will courageously maintain our position of paying 10 percent of our export revenues, whatever attitude the IMF takes.

He then stated that according to our nationalist policy a total of only $320 million will be paid per year. There is an enormous difference between this amount and the amounts handed over during the preceding years, which totaled $2 billion.

Alva remarked: The IMF has said enough. We are capable of standing up and making the country work. [passage omitted]

GOVERNMENT FORBIDS SENDING MONEY ABROAD

PY091330 Lima Television Peruana in Spanish 0100 GMT 9 Aug 86

[Text] An official measure forbidding sending foreign or Peruvian currency abroad for 24 months was announced today. This measure affects individuals and corporations working in Peru. This special, temporary measure will allow available foreign currency to be used for priority productive activities in Peru.

This measure includes depreciation, dividends, profits, royalties, and other remittances. The remittance of mony for payment of specificed technical services is not included. The sale of shares of stock, reduction of capital, dissolution of companies, and other operations for which there is an export of capital invested in the country has also been prohibited.

200 ARRESTED IN JOINT ARMY, POLICE OPERATION

PY100256 Paris AFP in Spanish 0158 GMT 10 Aug 86

[Text] Lima, 9 Aug (AFP) -- The Peruvian Civil Guard tonight reported that the Army and police have arrested 200 persons during the past 24 hours in Lima. These people are believed to be either criminals or subversives. They are being held in police precincts while the investigations regarding their legal status are concluded.

Joint Army and police forces have started an operation that is being carried out in the poorer neighborhoods and the areas where there is a high crime rate, both in the capital and the port of El Callao. According to a police source, there are more than 20 women among the detainees. They were arrested because they did not have any identification.

This operation was started after Interior Minister Abel Salinas spoke on 8 August over Peruvian television asking for the people's help in eradicating subversion.

In the name of the government, Salinas said that the frontal fight against subversion will continue to be carried out energetically.

During the past 48 hours subversives murdered Colonel Cesar del Castillo in Lima. Del Castillo was a high-ranking police officer in charge of the Civil Guard in Ayacucho, an area where the Shining Path group operates.

Two policemen were also murdered in broad daylight in Lima and an attack was carried out against a police bus.

Police sources have indicated that this operation will continue during the next few days with the purpose of breaking up terrorist cells of both the Shining Path group and the Tupac Amaru Revolutionary Movement (MRTA) and also to break up criminal gangs, especially gangs of kidnappers.

Interior Minister Addresses Nation

PY091652 Lima Latinoamericana Television in Spanish 0430 GMT 9 Aug 86

[Address to the nation by Interior Minister Abel Salinas from Government House; date not given -- live or recorded]

[Text] Several attacks and murders have shocked the public in the last few days. I wish to reiterate that these actions were committed in retaliation for investigations and repressive actions which the government has been vigorously carrying out lately, These actions have affected many terrorist cells.

However, the small groups that still exist are committing increasingly brutal crimes to try to gain attention.

Two Civil Guards were shot in the back yesterday. A grenade was hurled at a Civil Guard bus today. I am addressing the nation to request the people's calmness. The government will continue to fight firmly, and the police forces, which deserve the people's respect and support for their sacrifices, will continue to act decisively.

Hundreds of guards have died at the hands of terrorists. The police are the ones who must face criminal activity most directly. If they make mistakes, these mistakes will be corrected by the government, but their actions must be acknowledged by the country.

I am addressing you to remind you of the need to support the antisubversive struggle, and of your duty to remain calm and not to feel demoralized. Peru, the state, and the government are stronger than isolated attacks, and despite the current difficulties, we will eradicate subversion.

Announces New Police Regions

PY081607 Lima Panamericana Television Network in Spanish 0300 GMT 8 Aug 86

[Excerpts] Interior Minister Abel Salinas today announced the creation of 12 police regions in the country in order to improve the efficiency of the police and their capacity to protect the citizens. The announcement was made during the ceremony celebrating the 67th anniversary of the Peruvian Republican Guard, held at the institution's headquarters in Lima. [passage omitted]

[Begin Salinas recording] [passage omitted] I can now announce that 12 police regions have been created. Each region will be under the responsibility of a general officer of the Peruvian police forces. This is a clear effort to improve our efficiency and our capacity to protect the citizens. [end recording]

MRTA ENDS 1-YEAR TRUCE, HOLDS NEWS CONFERENCE

PY082210 Paris AFP in Spanish 2014 GMT 8 Aug 86

[Text] Lima, 8 Aug (AFP) -- The Tupac Amaru Revolutionary Movement [MRTA] has ended the 1-year truce it granted President Alan Garcia's government, accusing it of not complying with its promises to carry out change. The MRTA has contacted the local press to call on the people to form a front in favor of democracy, peace, and justice.

An MRTA leader yesterday said in a press conference that all the promises made on 28 July 1985 by the new government have turned into measures that do not represent the people's interest. These measures served only to manage the crisis provoking a growing situation of demagoguery, frustration, and treason regarding the country's needs and aspirations.

During the interview, which took place on an unidentified piece of freed land, the MRTA leaders -- about 15 of them dressed in olive green, hooded and armed -- asserted that it is necessary to resort to armed struggle to end the militarization carried out by the American Popular Revolutionary Alliance [APRA] government.

Threatens Colombians in Peru

PY082340 Paris AFP in Spanish 2223 GMT 8 Aug 86

[Text] Lima, 8 Aug (AFP) -- Colombian concerns and their personnel in Peru will become military objectives of the MRTA if the Colombian Government does not turn over three MRTA members, allegedly arrested near Cali.

This threat was published here today by this Peruvian subversive group. The communique states that MRTA members Marco Burga Zelada, Cistero Garcia Torres, and Espinoza were arrested as they traveled, unarmed, to Cali. It adds that these three men had been members of the American Batallion formed by Colombian M-19, Peruvian MRTA and Ecuadoran Alfaro Lives guerrillas.

We call on the people to demand that the Colombian Government and Army identify and show our colleages to the Red Cross, and international human rights organizations, states the MRTA communique, which is dated yesterday.

During a clandestine press conference here an MRTA leader said that one of this organization's squads is fighting in the America Batallion in the Colombian mountains as evidence of our regionalistic spirit.

1ST PHASE OF 'UNITAS 27' OPERATION COMPLETE

PA091912 Caracas Television Service in Spanish 0000 GMT 9 Aug 86

[Report by Juan Zara]

[Text] The first phase of the joint "Unitas 27" operation carried out by Venezuela, Colombia, and the United States took place today in the Caribbean Sea. This military exercise was totally successful, because all planned objectives were fulfilled.

According to the commanders of the three participating fleets, who based their comments on an evaluation made shortly before arriving at La Guaira port, this phase of the operation was a complete success. The fleets are in that port for resupply.

This afternoon the Venezuelan and U.S. commanders, Rear Admirals Miguel Padilla Hurtado and David Chandler, respectively, told the press that this first phase had been a complete success because all jointly planned objectives had been fulfilled, especially those that sought the application of a joint military doctrine at the time of an armed struggle.

Various strategies were used during the exercises in regard to air, land, and submarine attacks. The two commanders said that the question of which fleet was better was never raised. On the contrary, joint work yielded more productive results, such as the establishment of better combat strategies.

Over [figure indistinct] men participated in the "Unitas 27" operation. In that same second [as heard] phase, Venezuela participated with 1,500 men, who proved their combat efficiency.

The United States is participating in these operations with six war ships, including a nuclear submarine. Venezuela has the largest squadron, with 12 ships, including 2 submarines. Colombia has two destroyers.

These operations, which will be held on an ongoing basis until the participation of all the Southern Hemisphere countries that are friends of the United States is attained, will permit the testing of tactics in a structured environment and their modification, if necessary, in order to successfully apply them in a real situation.

On 9 August the three participating fleets will sail toward the Colombian port of Cartagena, where Venezuela will end its participation in this military operations.

BRIEFS

GOVERNOR TO IMF APPOINTED -- By presidential decree, Hernan Anzola has been appointed Venezuelan governor to the IMF. In addition, the decree appointed Finance Minister Manuel Azpurua Arreaza as alternate governor to the IMF. [Summary] [Caracas Domestic Service in Spanish 0000 GMT 9 Aug 86 PA]

RESULTS OF GROUP OF SIX SUMMIT OUTLINED

FL081516 Mexico City NOTIMEX in Spanish 0222 GMT 8 Aug 86

[By Rossana Fuentey Berain]

[Text] Ixtapa, 7 Aug (NOTIMEX) -- Annihilation by mistake is as definite as intentional annihilation; thus, the only sure way to survive is to eradicate nuclear weapons, said Indian Prime Minister Rajiv Gandhi during his closing speech at the second meeting of the Group of Six.

Ghandi, as well as his five colleagues, noted that nuclear weapons does not discriminate between the agressor and the peaceful citizen. Weapons do not have eyes, hearts, or minds, he said. He added that it is our duty as states without nuclear weapons to constantly pressure the superpowers that do have them to achieve disarmament.

During a news conference, Gandhi also assured that his government will not build a nuclear bomb, although it has the material and technology to do so.

Greek Prime Minister Andreas Papandreou said in his speech that when the Group of Six began its peace efforts, negotiations between the Soviet Union and the United States were interrupted.

The Greek leader indicated that at the 25 November 1985 meeting between President Ronald Reagan and Soviet leader Mikhail Gorbachev no concrete results were achieved.

Papandreou noted that for this reason the Mexico Declaration urged both superpowers to end nuclear tests hoping that the rest of the countries with nuclear weapons will do the same.

Asked about the cost of implementing the verification system they propose, Papandreou replied categorically that financing the system is within the capabilities of each of the participants. No cost or effort is too great when we are talking about achieving peace, he indicated.

Dr Julius Nyerere, former Tanzanian president, ratified the right of all the countries of the world to be heard. We exist as nations and as people and even when our countries are deprived of other rights, at lease we have the right to continue existing, he noted.

As a leader of his country's independence, Nyerere said that the fact that the superpowers have not listened to the concerns of all the people of the world regarding the future of humankind in the event of a nuclear disaster, constitutes the worst form of imperialism.

The African leader also expressed his belief that many countries that do not have nuclear arms would be willing to join the Group of Six to perhaps, under UN sponsorship, oversee a treaty on a complete ban of nuclear test.

Referring to the U.S. Strategic Defense Initiative, Nyerere indicated that any attempt to use outer space for military purposes would bring a space arms race.

During the press conference, he underscored that one of the main aims of the group is to make world public opinion -- especially U.S. public opinion -- aware of the nuclear threat.

The White House cannot ignore its own public, thus, it is necessary to try to use the U.S. democratic system to work for peace, he said.

Finally, Nyrere indicated that in no way can we avoid the options we have: to coexist -- despite our differences and disputes -- or die together in a nuclear holocaust.

Views on Disarmament

PA081632 Mexico City XEW Television Network in Spanish 1340 GMT 8 Aug 86

[Report by Ana Cristina Pelaez -- passages within quotation marks recorded]

[Excerpt] Let the world hear us, let the world become aware of the dangers of the nuclear arms buildup, the members of the Group of Six stated during a more than 1-hour long news conference after the meeting on peace and disarmament in Ixtapa-Zihuatanejo. They also agreed that arms expenditures pressure and distort the world economy, interest rates, and trade. President Miguel de la Madrid said that arms expenditures affect government budgets and that poor countries subsidize the arms buildup of the powerful.

[De la Madrid] "I think that if the arms expenditures of the superpowers can be reduced, the primary benefit would be to their own people. This would also lay the groundwork for increased international trade, which would benefit the developing countries. This would also improve the financing conditions for those countries. I think this is an argument that we have been bringing up. In addition to its political value in preventing war and guaranteeing peace, disarmament can also be an important factor in improving the general conditions of the international economy and benefiting the developing countries."

The president said that the Group of Six does not oppose the use of nuclear power for peaceful ends, but that one must be vigilant so it will not suddenly be turned into an instrument of war.

Indian Prime Minister Rajiv Gandhi said that his country will not abuse the use of nuclear power.

[Gandhi -- in English with superimposed Spanish translation] "India has demonstrated very clearly for the past 12 years that although we have the capacity to make and manufacture nuclear weapons, we do not intend to do so. We do not have arsenals, nor do we plan to produce nuclear weapons."

Nevertheless, the record shows that India has carried out two atomic tests this year.

Greek Prime Minister Andreas Papandreou confirmed that the Group of Six does not plan to finance the verification system that it proposed in the Ixtapa meeting.

[Papandreou -- in English with superimposed Spanish translation] "As I said, I think that what we [words indistinct] evidently within our capacity to do so. Evidently at some moment in the future, the Soviet Union and the United States would have to actively participate, themselves. [Words indistinct] your question that we have an economic or financial problem regarding the proposals that we made about vigilance."

Julius Nyerere, former president of Tanzania, admitted that it is more difficult to influence public opinion in countries which have a high illiteracy rate. He insisted that the heads of state of each country have the responsibility of making their own people aware of the problem of peace.

Argentine President Raul Alfonsin insisted that it is not necessary for his country to sign the Tlatelolco treaty on the nonproliferation of nuclear arms:

[Alfonsin] "We are totally in agreement on the need to prevent proliferation, but we think that the treaty is discriminatory. There would be a club of favored ones with the rest of us just watching the acceleration of an arms buildup that could lead us all to a nuclear holocaust."

Swedish Prime Minister Ingvar Carlsson said that the danger that terrorist groups might seize nuclear weapons is one of the biggest fears of the human race. [passage omitted]

Mexico Policy to Remain Unchanged

FL080230 Mexico City NOTIMEX in Spanish 0052 GMT 8 Aug 86

[Excerpts] Ixtapa-Zihuatanejo, 7 Aug (NOTIMEX) -- Mexican President Miguel de la Madrid has said that Mexico will maintain its traditional foreign policy promoting disarmament and peace at the world level as well as in regional conflicts.

During a news conference, he said Mexico has persistently sustained a position favorable to efforts to end the arms race because we consider this indispensable to avoid a total and destructive war.

Accompanied by the Group of Six leaders, De la Madrid said this group does not follow the footsteps of a coordinator. All its members analyze the developing circumstances and we agree by consensus on what attitudes and actions should be taken. [passage omitted]

De la Madrid recognized that many repercussions in the international community will create problems, but, he said, the Group of Six has agreed to focus exclusively on the topic of nuclear disarmament to promote awareness and so the task can be more efficient.

Alfonsin on Arms Race

FL080200 Mexico City NOTIMEX in Spanish 0056 GMT 8 Aug 86

[Excerpts] Ixtapa-Zihatanejo, 7 Aug (NOTIMEX) -- Argentine President Raul Alfonsin said today that there are few countries that have the complicated scientific and technical knowledge to promote the nuclear arms race but there are many who share a common feeling and sense to check this activity.

During his speech at the closing session of the second Group of Six meeting on peace and disarmament in Ixtapa-Zihuatanejo, the Argentine president said that voices should be raised universally to defend life on our planet and we should struggle for peace and disarmament. [passage omitted]

During an interview with the Group of Six leaders, Alfonsin was asked about Argentina's requirements for signing the Nonproliferation of Nuclear Weapons Treaty and the Tlatelolco Treaty. The president said he has not signed the agreement, not because Argentina is against it, but because it would suffice if the superpowers would cease producing nuclear weapons.

Argentina interprets the problem of proliferation as a horizontal as well as vertical problem, said Alfonsin. He also noted that Argentina is absolutely open to dialogue without having to sign any type of safeguard. [passage omitted]

Carlsson on Nuclear Testing

FL081326 Mexico City NOTIMEX in Spanish 2336 GMT 8 Aug 86

[By Eduardo Gonzales Silva, special correspondent]

[Excerpts] Ixtapa-Zihuatanejo, 7 Aug (NOTIMEX) -- Swedish Prime Minister Ingvar Carlsson has said the Group of Six is making a call to the United States and the Soviet Union to end nuclear tests and indicated: We are prepared with our own experts and technical resources to be part of the verification process for a banning of nuclear tests.

During the closing ceremony of the second summit meeting of the Group of Six for peace and disarmament, Carlsson said we have to assume the responsibility of allowing children to fulfill their dreams and stop their future from being destroyed.

He underscored that at the Geneva Conference, the Swedish Government presented proposals aimed at establishing an international system for the verification of banning of nuclear weapons and it is convinced that this problem can be solved. [passage omitted]

After his closing speech, Carlsoon granted a news conference. The European Prime Minister told the domestic and international press that the leaders of the Soviet Union and the United States have answered the letters sent by the Group of Six and have expressed their willingness to stop the arms race.

However, Carlsson said this is not enough, they have to put their wishes into practice.

He talked about the needed mobilization of the world public opinion to pressure political leaders and influence the superpower leaders to halt arms race. Finally, he stressed that the struggle of the Group of Six is not an easy task, but the second summit meeting has taken place at a time, when the superpowers have accepted, in principle, sitting down at the negotiating table.

Carlsson on Summit Results

PA101249 Mexico City Red Nacional 13 Imevision Television in Spanish 0130 GMT 10 Aug 86

[Text] Participants in the talks on disarmament held in Ixtapa-Zahuatanejo hope that Ronald Reagan and Mikhail Gorbachev will heed the appeal made. However, it is not just a question of changing the views of these two leaders, but rather, the views of the entire world, Swedish Prime Minister Ingvar Carlsson said shortly before returning to his country. He said that efforts must continue to assure the two superpowers reach an understanding, a goal of all people, because everyone wants to live in peace and without pressures. In addition, the Swedish prime minister said: We must make them understand that they must not only be concerned with the future of their own people, but with the entire world.

In conclusion, Carlsson said that the meeting of the Group of Six was a complete success and is the first phase of a worldwide program to strive for the survival of mankind.

GANDHI, DE LA MADRID HOLD BILATERAL TALKS

FL081836 Mexico City NOTIMEX in Spanish 0607 GMT 8 Aug 86

[Excerpts] Mexico City, 7 Aug (NOTIMEX) -- Yesterday President de la Madrid asserted that hegemonic confrontations devote the best effort of humankind work to its own destruction, condemn the nations to hunger and disease while the wealth and technological research work is destined to endless arsenals.

The president and his counterparts and colleagues from Argentina, Greece, Sweden, and Tanzania have been searching for possibilities to provide greater well-being to all the peoples of the world by utilizing enormous resources used in the absurd arms race.

During a dinner he and his wife, Mrs Paloma Cordero de de la Madrid, hosted in honor of Indian Prime Minister and Mrs Rajiv Gandhi, De la Madrid indicated that South-South cooperation and dialogue, with a defined agenda, will allow the identification of the most relevant topics for the countries to take action and focus on the aspects that will, involve more greatly in the future and independence of the countries of the world. [passage omitted] The president said it is essential to offer new options to Central American negotiations and achieve a more reasonable dialogue with the only limitation being that all countries comply with the principles and norms of international law. [passage omitted]

De la Madrid said the restructuring of its foreign commitments was done in line with the real capabilities to pay them by increasing the availability of financial resources and maintaining the total economy's growth, favoring the various sectors of the country. [passage omitted]

Indian Prime Minister Gandhi said his country shares with Mexico the concerns over the effects the recent events taking place in Central America -- which currently is in turmoil because of deep political, social, and economic changes -- could have in the international peace.

He indicated that opposing change through foreign intervention is a mistake that interrupts political evolution and violates international law. [passage omitted]

He said India supports the Contadora Group efforts to obtain peace in Central America but assured that he agrees with Central America's change to get out of the fog of colonialism.

Gandhi noted that the world economy should be at the service of the community of nations but it has narrowed and it is limited by stingy nationalistic views which disregard the possibilities of complementing each other. This brings fragmentation and eliminates the willingness for cooperation. He said the North needs to change its views and encourage South-South cooperation programs. The key for joint efforts is the collective confidence of nations. He stated that the lack of knowledge among poor and developed countries limits cooperation possiblilites. The Indian prime minister said information channels should be established so experts in economic matters can explore the possibilities of sharing experiences and bringing progress to the economic development of countries. [passage omitted]

Delhi on Gandhi News Conference

BK090628 Delhi Domestic Service in English 0240 GMT 9 Aug 86

[Text] India and Mexico have decided to work on a time-bound schedule to strengthen economic cooperation. This was stated by the prime minister at a news conference in Mexico City yesterday. Mr. Rajiv Gandhi said the two countries will cooperate in the petroleum sector and will also have link deals in trade. Our special correspondent, Manohar Takroo, reports on the bilateral talks:

[Begin Takroo recording] The main thrust of these talks was that while India and Mexico have had close relations, their economic content has remained rather weak. There are several agreements between the two countries, but they have remained dormant. As a direct outcome of the prime minister's visit, these will be activated and a time-bound program drawn up for strengthening economic relations. A number of areas have also been identified for the cooperation. [end recording]

Answering a question about Afghanistan, Mr. Gandhi said he is optimistic because in his talks with Mr Reagan and Mr Gorbachev he had found a desire in both of them to reduce tension in that country. He noted that the Soviet Union has recently announced that it will withdraw part of its troops from Afghanistan.

About the Ixtapa summit, he said it has taken a major initiative toward nuclear disarmament. He pointed out that it is the only disarmament initiative at heads-of-government level which is active. Some of the responses to the initiative indicate a change in the thinking of nuclear-weapon countries. This is a step forward. The prime minister denounced intervention by big countries in the internal affairs of others. He said this cannot be tolerated regardless of the areas where the intervention occurs. It might be one country today and another tomorrow.

Replying to a question about Punjab, he said the government has made significant progress during the past few weeks in its drive against terrorists.

The prime minister was earlier presented with the key to Mexico City after the mayor declared him a distinguished guest. At a function in the city hall, Mr Gandhi was also presented a diploma and a medal. Thanking the citizens for the honor, Mr Gandhi said India and Mexico are both deeply committed to democratic values and the institutions of popular rule. Referring to the Ixtapa summit, he said the survival of mankind in this nuclear age cannot be guaranteed a balance of power. Any breakdown of that balance by error or by design will spell doom, from which there will be no retreat. Describing apartheid as an abomination, Mr Gandhi said: A tiny minority of racists in Pretoria is squeezing the soul of South Africa.

Earlier, the prime minister placed wreaths at the monument of Mahatma Gandhi and to the young heroes of Mexico.

CUBAN AMBASSADOR PRAISES DE LA MADRID

FL090152 Mexico City NOTIMEX in Spanish 2314 GMT 9 Aug 86

[Text] Mexico, 8 Aug (NOTIMEX) -- Mexico is not confronting a dead-end road; the actions of Mexican President Miguel de la Madrid have raised the hope that the country will not interrupt its development, said Cuban ambassador to Mexico Enrique Olivares Santana. He also stressed the chief executive's efforts to prevent all sectors from becoming discouraged and from following paths that would deactivate the national economy.

Olivares Santana said that proof of the present administration's great effort to overcome the crisis is the Mexican people's swiftness and prudence to resist contemporary adversities.

Before returning to Havana, he said that Mexico is aware it is immersed in difficulties due to the disorder of the international economy.

Because of this, the social tranquility predominant in the country is due to De la Madrid's clear and serene policies.

Finally, Olivares Santana stressed that sufficient elements do not exist to cause an institutional crisis.

SEPULVEDA AMOR ON SOUTH AFRICA POLICY

FL082332 Mexico City NOTIMEX in Spanish 2241 GMT 8 Aug 86

[Excerpt] Mexico will not reestablish diplomatic, trade or economic relations with South Africa so long as it continues its policy of racial discrimination, said Mexican Foreign Secretary Bernardo Sepulveda Amor.

Sepulveda Amor reaffirmed this during a news conference with national media held after the second round of talks with Mexican President Miguel de la Madrid.

Sepulveda Amor said that all relations with South Africa are based on the principle of human dignity and in accordance with the resolutions adopted by the United Nations which has rejected South Africa's discriminatory policy. [passage omitted]

CORRECTION TO MEXICAN-GREEK COMMUNIQUE

Due to a printing problem, the item headlined "Issue Joint Communique," published in the 6 August Latin America DAILY REPORT, page M 2, was not carried in full. The following is the text of that item.

Issue Joint Communique

FL052038 Mexico City NOTIMEX in Spanish 1920 GMT 5 Aug 86

[Text] Mexico City, 5 Aug (NOTIMEX) -- The presidents of Mexico and Greece today agreed that it is urgent to unite the efforts of countries committed to peace, independent development, international cooperation based on equality, and the peoples' sovereign right to self-determination. In a joint communique issued by Mexican President Miguel de la Madrid and Greek Prime Minister Andreas Papandreou following their second round of talks, they stressed the urgent need for solutions to the foreign debt problem based on shared responsibility between debtors and creditors.

They said countries with large economies should recognize their responsibility at the world level and draft policies that will ensure harmonic growth and stability while taking into consideration the effects on developing countries. The leaders expressed their firm goal to strengthen the United Nations system as well as relations between the EEC and Latin America for the promotion of economic growth in developing countries.

De la Madrid and Papandreou expressed their support of projects that promote nuclear-free zones, security and cooperation, and diminish tension in international relations. After expressing their firm goal of continuing their common efforts to completely eradicate the world threat, the leaders affirmed that the arms race is a great danger to all humanity.

In reference to the UN Law of the Sea convention, De la Madrid and Papandreou said it is an important instrument of international law which safeguards peaceful cooperation between countries. They also expressed their concern over the prolonged crises in Central America and Cyprus and reiterated their support and confidence in peaceful mechanisms to solve the controversies and respect international justice and the right to self-determination.

The two presidents maintain their support for the Contadora Group in its efforts to reconcile the different interests in the Central American area, and they said the solution to the conflict in Cyprus depends on the withdrawal of foreign forces and respect for its independence, sovereignty, and unity. The leaders also agreed to establish the necessary mechanisms to increase bilateral relations and trade which would offer greater development possibilities as well as strengthen cultural relations as stated in the agreement signed in 1982.

It was also agreed to promote higher education on Latin American and Greek topics in the two countries and Neo-Hellenic studies in Mexico. De la Madrid and Papandreou agreed to study cooperation possibilities in the areas of construction, maritime transportation, agriculture, and industry. They also stressed establishing cooperation mechanisms in Greek and Mexican economic and trade organizations and in the public and private sectors to develop economic bilateral relations.

At the conclusion of the Greek prime minister's official visit with the Mexican president, the two heads of state stressed the importance of this first bilateral meeting to strengthen the ties between the two countries to promote cooperation and understanding in all areas.

HOUSE AMENDMENT ON CANAL BUDGET CALLED 'MOCKERY'

PA082004 Panama City CRITICA in Spanish 8 Aug 86 p 34

[By Euclides M. Corro R.]

[Excerpt] A retroactive amendment on the Panama Canal Commission budget has been approved by the U.S. House of Representatives Merchant Marine and Fisheries Committee. This will deprive our country of $6 million when the annual $10-million surplus is collected.

This adjustment states that the Panama Canal Commission will have to pay the U.S. Government $5-$6 million from its budget for the 1986 fiscal year, although the amendment was approved on 24 July of this year. It also obliges the commission to pay interest retroactively, based on the investment made by the United States in the terminated canal company before the Torrijos-Carter Treaties.

For further information, CRITICA contacted former Foreign Minister Oyden Ortega Duran, who is currently one of the directors of the Panama Canal Commission.

Ortega Duran said the information is true and added: "This amendment approved by the House Merchant Marine and Fisheries Committee should be removed because the Panamanian members strongly protested these actions at the Canal Board of Directors meeting in July."

Likewise, he added, the Canal administration was warned not to make unbudgeted expenditures.

Asked what measures the government should take, Ortega Duran noted: "This deserves a note from the Panamanian Foreign Ministry so the U.S. Government will receive a formal protest from our country. It constitutes a mockery of the rights of Panama according to the Torrijos-Carter Treaties." [passage omitted]

WEAKENING OF BANK CONFIDENTIALITY DENIED

PA081825 Panama City CRITICA in Spanish 8 Aug 86 pp 1, 34

[Text] At an impromptu news conference held yesterday, Mario de Diego, executive director of the National Banking Commission, said the Panamanian Government does not intend to negotiate any agreement that may harm the confidentiality of banks.

With this statement, De Diego categorically rejected press rumors that Panama is negotiating relinquishment of the confidentiality that has been the backbone of the country's commercial and banking systems.

Asked about the bill on drug tafficking and money laundering, De Diego said: "Panama is the first country to draft a bill of this kind." After acknowledging that the bill is an initiative of Attorney General Carlos Villalaz, De Diego said the bill establishes harsh sanctions for criminals involved in drug trafficking.

He also explained that the bill lists the financial crimes that could be committed in Panama's international banking industry and considers effective international cooperation mechanisms to investigate and combat money laundering.

De Diego recalled the promise made by President Eric A. Delvalle on the occasion of the 16th anniversary of the Banking Commission on 30 July. Delvalle said then that the government will not take any action injurious to bank confidentiality.

Rumors on Banks Ill-Intentioned

PA090309 Panama City Televisora Nacional in Spanish 0000 GMT 8 Aug 86

[Station commentary: "Let's Respect Banking Secrecy"]

[Text] It is time now for all Panamanians to stop all activities against the country. We stress that protests should not be long in coming because the nation is being attacked, and it belongs to all of us.

Without doubt, the latest attack has been the one that has sowed fear regarding the operation of banks in Panama. This kind of ill-intentioned rumor regarding banking secrecy laws will make our international banking center reel. Not only the current government, but the entire country will be harmed by this.

This does not mean that we must put up with illegal activities, but banking activity is very sensitive and banking news should be handled with caution for the good of Panama.

We must be very objective when handling economic and banking news in order to contribute to the strengthening of the banking center. Thank you very much.

BRIEFS

COCAINE SEIZURE AT AIRPORT -- Units of the Antinarcotics Special Forces at Omar Torrijos Airport arrested three Colombian drug traffickers attempting to bring 2 kg of pure cocaine into the country. The Colombian drug traffickers are Zayne Zawady Guillot, 25; Osman Segundo Reverol Paz, 30; and Isabel Bolanos Escalante, 45. According to reports from the National Department of Investigations, the Colombians tried to hide 2 kg of cocaine in the concealed bottoms of two suitcases. [Summary] [Panama City LA REPUBLICA in Spanish 6 Aug 86 p 24 PA]

COSTA RICA

ARIAS DISCUSSES SHULTZ MEETING IN BOGOTA

PA081726 San Jose Radio Reloj in Spanish 0100 GMT 8 Aug 86

[Text] President Oscar Arias Sanchez, who attended the inauguration of Colombian President Virgilio Barco Vargas in Bogota," met this afternoon with U.S. Secretary of State George Shultz. President Arias said the following about the meeting:

[Begin recording] The meeting with Shultz was friendly and very cordial. The Guatemalan president and foreign minister and I took advantage of the occasion to inform Shultz of the basic problems affecting the Central American countries. We told him that the basic problems are economic development, [words indistinct], the generation of jobs, and the improvement of our people's standard of living. Of course to achieve this it is essential that we attain peace, and I believe we all agree that peace will not be achieved so long as there is no democracy in Central America. Therefore, Nicaragua was discussed.

We pointed out to Secretary Shultz the need for greater aid from financial organizations and the need to refinance the foreign debt, because if we do not refinance our debts it will be very difficult to [word indistinct] Central America's economy. Finally we spoke of the need for greater solidarity and aid from [words indistinct] democracies. [end recording]

President Arias also reiterated his belief that the Nicaraguan Government will have the last word in the solution of the Central American conflict.

[Begin recording] I believe the Sandinist government will have the last word. We have dedicated a great deal of time in the past to seeking a peaceful solution, but as the Costa Rican Foreign Ministry pointed out in its observations on the Contadora Document, the situation depends to a great extent on the attitude the Nicaraguan Government may adopt in the future. For our part, of course, as we have often said, we would have preferred and still prefer a peaceful solution," because the consequences of the war in Nicaragua directly affect Costa Ricans.

We have approximately 250,000 foreigners in Costa Rica. They constitute 10 percent of the population. Today I told Secretary of State Shultz that to have such a large number of foreigners in the country is dangerous, because we could lose our identity. We could lose our values, culture, and ways of thinking. A very large percentage of Costa Ricans have traditions, customs, and a culture different from that of the Nicaraguans. Therefore, we are most interested in solving the regional problem through negotiations, not war. As we all know, Costa Rica's northern zone, which is a commercial center for our country, has a bright future, but it will be very difficult to develop it because of the uncertainty created by the permanent immigration of so many Nicaraguans. [end recording]

Returns From Colombia

PA101635 San Jose Radio Reloj in Spanish 1330 GMT 10 Aug 86

[Text] President Oscar Arias arrived in the country aboard a private jet at 1425 yesterday after attending the inauguration of Colombian President Virgilio Barco Vargas. The official delegation included President Arias; the first lady, Margarita de Arias; and Foreign Minister Rodrigo Madrigal Nieto and his wife, Miriam de Madrigal.

President Oscar Arias said in the diplomatic room of the Juan Santamaria Airport that the visit to Colombia permitted progress in the consolidation of Latin America's democratic process. He said that his talks with leaders of various Latin American countries dealt with the foreign debt, development possibilities in the region, and Central American peace.

Costa Rica made the commitment in Colombia to continue the struggle in the hemisphere so that those countries that do not have a democratic system can achieve a pluralistic system. He also said that all Latin Americans have great hope for preserving peace in the American hemisphere.

EL SALVADOR

FDR-FMLN COMMUNIQUE ON PREDIALOGUE MEETING

PA081414 (Clandestine) Radio Venceremos in Spanish to El Salvador 1311 GMT 8 Aug 86

[Communique issued by the FDR Executive Committee-FMLN General Command on 7 August in El Salvador]

[Text] To the national and international audience:

1. The FDR-FMLN has insisted that the procedural aspects for the third round of dialogue should be discussed in private with the mediator and should be announced once an agreement is reached. The FDR-FMLN maintains this position and confirms it as its standard behavior, aimed at giving utmost seriousness to the third round of dialogue.

2. In view of the fact that the Duarte government has publicly manipulated preparatory aspects of the third round of dialogue, the FDR-FMLN is compelled to make the following proposals and clarifications:

A. Duarte's proposal on the need to hold a round of preparatory meetings in order to agree on the preparatory aspects of the third round of dialogue coincides with the proposal made by our fronts in Perquin on 2 August. Therefore, we feel the preparatory meetings have already been agreed on, and we agree to hold them in Mexican territory, after both parties have consulted with the government of that friendly country. As a specific reply to the national interest regarding this dialogue, we propose initiating the preparatory meetings on Wednesday, 20 August.

B. When we met with the mediatory, Msgr Rivera y Damas, on 2 August in Perquin, we sent the government a message voicing our objections to the places proposed for the meeting. These objections and our proposed venue are based on the need to guarantee the security of the delegations who will attend the dialogue, bearing in mind the well-known violations by some military leaders of the commitments made by the government, such as the Christmas truce, the exchange of prisoners, the departure of the wounded, and more recently, during Msgr Rivera's visit to Morazan.

C. Concerning the date for the third round of dialogue, we have proposed that this date be set during the preparatory meetings, based on the agreements reached on procedure and security.

3. In conclusion, with a view to holding the third round of dialogue, we invite all national sectors to voice their contributions toward achieving a just peace. For our part, we abstain at this time from engaging in propaganda polemics with the government spokesman.

El Salvador, 7 August 1986

[Signed] FDR Executive Committee-FMLM General Command.

Viera: FMLN Proposal 'Valid'

PA092014 San Salvador Radio Cadena YSKL in Spanish 1800 GMT 9 Aug 86

[Report by Rene Hurtado]

[Text] Roberto Edmundo Viera, deputy culture and communications minister, has told YSKL that the FMLN-FDR counterproposal on holding preliminary talks in Mexico is valid. He said that the FMLN-FDR proposal to hold such talks on 20 August is valid because they fall within the government proposal for holding them between 19 and 26 August. In this regard, Roberto Edmundo Viera, the official spokesman on the dialogue, said:

[Begin recording] [Viera] The proposed talks are within the period we specified.

[Hurtado] Right, [words indistinct]?

[Viera] Yes, we think this is positive. [end recording]

Viera also said that this is a positive step that gives the impression that the dialogue will be held. This is different from positions that were expressed some days ago by the FDR-FMLN and the government. With this, Viera said, I think we can see that the talks are feasible, at least as far as establishing the date of 20 August is concerned. The official spokesman on the dialogue also noted that the FMLN-FDR had said that he had lied with regard to the government's counterproposal. Viera said that he had not lied, that what he had done was to explain the proposal, because it was felt that the FMLN was not willing to hold this dialogue and that the public should be aware of this. This has brought about positive results with the counterproposal of the FMLN-FDR.

In light of the remarks by Viera, it is understood that the preliminary talks will be held in the embassy in Mexico, as the government had proposed, within the period of 19 to 26 August. They will be held in the Salvadoran Embassy with the presence of mediator Msgr Arturo Rivera y Damas. Viera also announced that President Jose Napoleon Duarte will arrive tomorrow and will hold talks with Msgr Rivera y Damas. In this regard, he said:

[Begin recording] The official proposal will be considered tomorrow when the president is here, and he will talk about it with Msgr Rivera y Damas. [end recording]

In this way, one understands that the government accepts the date of 20 August for the holding of preliminary talks in the Salvadoran Embassy in Mexico with the presence of mediator Msgr Rivera y Damas.

VARGAS SAYS REBELS LACK MILITARY CAPABILITY

PA090416 San Salvador EL DIARIO DE HOY in Spanish 8 Aug 86 pp 3, 20

[Text] FMLN terrorists have no military capability, they are capable only of terrorism; they cannot distinguish between a combatant and a noncombatant, said Col Mauricio Ernesto Vargas, commander of the 4th Military Detachment, headquartered in Morazan Department.

During a news conference, Col Vargas categorically denied that the Salvadoran subversives have any military capability.

In reply to a question about the FMLN proposal to create an army comprised of the Salvadoran Armed Forces and the terrorists, the military officer said that this is practically impossible given the terrorists' lack of military professionalism, and -- above all -- because the Armed Forces' behavior is guided by the Constitution, and the FMLN disavows this document.

In addition, when asked about bombings by the Armed Forces in zones where a guerrilla presence has been reported, he denied that the military carries out "indiscriminate bombings," as the FMLN's propaganda constantly reports. He explained that these bombings are attacks on the terrorists who are trying to destroy El Salvador.

He said: "Each bombing has a specific military target and is authorized by the commander in chief of the Armed Forces, the defense minister, and the chief of staff."

Discussing communist infiltration at the National University, Vargas did not discard the possibility of military intervention there if it becomes a danger to national security.

FPL CENTRAL COMMITTEE MEMBER DIES IN CLASH

PA100415 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 9 Aug 86

[Communique signed by Commander Leonel Gonzalez, secretary general of the People's Liberation Forces, FPL, Central Committee and member of the FMLN General Command; dated August 1986]

[Text] Communique to the Salvadoran people and international community.

We report that in the enforcement of the strategic, political, and military guidelines of the FMLN in Chalatenango, the plans of the military High Command and Duarte are being dealt overwhelming blows and are being defeated. From January to date we have inflicted 990 casualties on the enemy. These casualties increase every time medium-scale operations are carried out. The Ramon Belloso, Bracamonte, and Atlacatl Battalions were soundly thrashed in May and July. The same applies to the 4th Infantry Brigade and 1st Military Detachment battalions. These forces have clearly proven that they are demoralized, and desertions are regularly reported among their ranks.

Our guerrilla forces maintain control throughout three-fourths of Chalatenango Department, while the enemy controls only the outskirts of their two main garrisons. Furthermore, the population in Chalatenango is permanently strangled by strict economic measures affecting the marketing of their products. Both Colonel Oscar Rubio, chief of the 4th Brigade, and Colonel Natividad de Jesus Caceres Cabrera have set up roadblocks at points like El Limon and Colima, where they steal the products that the people bring from San Salvador.

The people are withstanding a policy of psychological war, terror, bombings, and strafings against their houses and property. Consequently, the people in Chalatenango no longer believe in the lies and cynical campaigns which are allegedly carried out for civic action. As a result, the Christian Democratic government has been compelled to implement its programs directly under USAID cover. The people of Chalatenango have proven their courage and defeated the High Command's worn-out policy to relocate the population. They have earned the right to live in their places of origin, and this right is recognized by international organizations.

Within the framework of our people's struggle and victories, we report the death of Comrade Susana, who was a member of the zonal directorate in Chalatenango. She had held this post since 1982. Comrade Virginia Pena Mendoza, alias Susana, was born on 8 August 1952 and was the sister of Comrade Commander Felipe Pena Mendoza. She emerged in 1968 as a capable leader of the student movement and fully joined the popular struggle of workers and teachers which began during those years. In 1974 she became a full member of FPL and part of the revolutionary process, in which she worked tirelessly in the organization and creation of cadres and contributed to the theoretical training of FPL and FMLN members. Susana was characterized by her strategic plans, optimism about our victory, and love for children, poor people, art, and life. She happily dedicated herself to the poor people's cause.

Comrade Susana died on 12 July in Canton Cuevitas, La Laguna jurisdicition, Chalatenango Department, during a clash with an enemy patrol. Our comrade was wounded, captured, and later shot, along with her [word indistinct] in the backyard of a house in that village. This proves how Col Caceres Cabrera treats the fighters who are wounded in combat. There is no respect for the Geneva agreements. Comrade Susana was a member of our Revolutionary Council and Central Committee of the FPL at the time of her death. The heroic example of our comrade, her contribution to the noble cause of the struggle for our people's liberation, represents the path which must be followed by the children of FMLN. Susana represents a source of strength for our cadres, leaders, workers, peasants, and students who are currently joining our ranks en masse and picking up weapons against the puppet Army, Durate's regime, and U.S. interventionists.

Consequently, the FMLN -- particularly the FPL -- is paying enthusiastic tribute to our comrade and telling her: Comrade Susana, until the victory, always! You will be present in the daily struggle against the ominous forces of oppression and exploitation. You will live among our people until we achieve our definite victory.

Revolution or death! We will win! Comrade Susana, your life and example will always be remembered! Revolution or death! The armed people will win!

[Signed] Commander Leonel Gonzalez, Chalatenango, August 1986

GUATEMALA

CEREZO ON HELICOPTER ACQUISITION, NEUTRALITY

PA090113 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 8 Aug 86

[Report on interview with President Vinicio Cerezo by a "group of reporters" on 7 August at the headquarters of the Guatemalan Telecommunications Enterprise in Guatemala City -- passages within quotations marks recorded]

[Excerpt] [passage omitted] [Reporter] Regarding other issues, the president announced that the government will buy two helicopters with a loan from the French regime.

[Cerezo] "We requested only spare parts for French helicopters that we already have in Guatemala, and we discussed the possibility of buying two more helicopters. However, those helicopters would be used by the government of the Republic, not by the Army. They would be helicopters at the service of the ministries; that is, for civilian use. They are four-seat, external cargo aircraft that will not be equipped with artillery to be used by the military. We are buying spare parts to upgrade Guatemalan Army helicopters. We estimate that the purchase of spare parts will allow us to have 15 operational helicopters to carry out internal work by the end of the year.

"However, we do not wish to participate in the arms race. Our objective is to invest the money in satisfying the needs of Guatemalans. That is why we have insisted on the need to stop the arms race and bring peace to Central America."

[Reporter] As for international policy, the ruler said that the Guatemalan position of active neutrality in the central American conflict could be modified if circumstances call for a change. That was his reply to a question regarding a letter he sent to Nicaraguan President Daniel Ortega in which he established such a position.

[Cerezo] "Look, we will reiterate our statement: Neutrality means favoring neither side. As a concept, we reject a military intervention in any country and support popular sovereignty. However, as democrats we maintain that conditions must be present to allow the enforcement of that sovereignty. We are now maintaining our neutrality and would break it only if we were directly attacked."

ORPA FRONT REPORTS ACTIONS IN SUCHITEPEQUEZ

PA080226 Guatemala City PRENSA LIBRE in Spanish 8 Aug 86 p 14

[Text] In a bulletin, the "Commander Javier Tambriz" Front of the ORPA [Revolutionary Organization of the People in Arms] has reported on actions carried out in Suchitepequez.

The communique states that the group occupied several farms and stretches of highways, ejected and disarmed farm owners and managers, distributed propaganda, and held meetings in various parts of the region.

It adds that during the political occupations, the group held discussions with the people about the maneuvers of the country's civilian government, the causes of the high cost of living, insurgent actions, and the five points presented by the URNG to President Vinicio Cerezo Arevalo to guarantee the democratic process.

HONDURAS

ARMED FORCES STEP UP ANTITERRORIST VIGILANCE

PA090432 Tegucigalpa EL HERALDO in Spanish 8 Aug 86 p 48

[Government bulletin; date not given]

[Text] Upon orders from General Humberto Regalado Hernandez, the Armed Forces General Command has proceeded to carry out an operation throughout the nation to control and prevent any act of terrorism which affects the citizenry.

This operation is being carried out jointly by members of the Public Security Forces [FUSEP] and soldiers of various Armed Forces units, who are being deployed to various areas night and day and are asking the citizens to show their identification papers.

The police and military authorities want to improve their methods of fighting crime and antisocial actions which worry the people and always make headlines.

An evaluation of these operations will be carried out in due time to compare results and find other methods to continue fighting the actions which worry the people.

Military authorities hereby urge the citizens, particularly those who have to travel at night due to their studies or work, to carry their identification papers and thus avoid any problems concerning their identity.

NICARAGUAN ARTILLERY, RIFLE FIRE HITS CIFUENTES

PA091237 Tegucigalpa EL HERALDO in Spanish 8 Aug 86 p 56

[By Luis Ernesto Moncada]

[Text] Danli, El Paraiso -- On the night of 6 August Sandinists opened artillery and rifle fire on Cifuentes, a Honduran town on the eastern border. Reports provided by Danli's seventh alderman, Norman Ponce, reveal that the mortar rounds fired at our territory caused on casualties among the population.

The attack began at 2200 and concluded 6 hours later. According to the alderman, the Armed Forces troops posed in Cifuentes were forced to quell the indiscriminate firing. The areas affected by the rifle and artillery fire were Murupuchi Hill and the local cemetery. Ponce said he was told that a Banadesa [National Agricultural Development Bank] -- vehicle was hit by eight bullets, fired from Nicaraguan territory.

POLICE ATTACK OPPOSTIION DEPUTY'S HOME BY MISTAKE

PA081947 Panama City ACAN in Spanish 1517 GMT 8 Aug 86

[Excerpts] Tegucigalpa, 8 Aug (ACAN-EFE) -- Early this morning Honduran policeman from an antiguerrilla squad attacked the house of an opposition deputy in this capital.

The police said the action was a mistake, based on groundless reports that there were some armed people in the legislator's house. Units of the special "Cobra" Battalion fired with .12 gauge shotguns and M-16 automatic rifles for some 30 minutes at the house of Rodolfo Zelaya in the eastern part of Tegucigalpa. [passage omitted] Zelaya, his wife, daughter, and mother-in-law were inside the house.

The police action began last night at 2300, but the shooting began at 0500, today. At the end of the operation, at 0800, the police had captured only Juan Angel Solorzano, 23, a watchman in the Tres Caminos district, where Zelaya's house is

"We were captured, but Wilfredo Sanchez, commander general of the Public Security Forces, released us when he confirmed who we were," Zelaya said. "We were told that this was a regrettable error, that there had been reports that there were armed people in my house and possibly an arsenal," he added. Very angry, Zelaya said that he told the police chief: "You should investigate before you attack and fire on any residence or any citizen." Solorzano said he had not received any answers or apologies. [passage omitted]

GOVERNMENT DEFENDS AGREEMENT WITH COLOMBIA

PA092235 Panama City ACAN in Spanish 1840 GMT 9 Aug 86

[By German Reyes]

[Text] Tegucigalpa, 9 Aug (ACAN-EFE) -- Today the Honduran Government described as tendentious criticism by several sectors of the country of the sovereignty that Honduras granted to Colombia over Serranilla Cay, in the Atlantic Ocean. A communique issued by the Press Secretariat points out that after the signing of a maritime delimitation treaty with Colombia, which grants it sovereignty over Serranilla, a campaign "aimed at harming the government's image" began. The communique adds: "We vigorously reject those who, using very marked demagogy, assert that we have given up part of our territorial sovereignty merely to solve a maritime problem with Colombia."

The Honduran Government reiterates that with the signing of that treaty with Colombia, the country's Constitution was not violated, "as permanent enemies of the country have said, tendentiously and maliciously, through the media." The press communique does not explain how Article 10 of the Honduran Constitution, which includes Serranilla Cay as part of Honduras, should be interpreted.

In an interview granted to a Tegucigalpa radio station, the Honduran president contradicted the text of the Constitution when he asserted that soveieignty over Serranilla is "a Honduran claim which is part of the Constitution." [sentence as received]

The approval or rejection of the treaty will have to be discussed in the National Congress, although President Azcona said that the document will have the approval of the legislative branch. Deputies of the four political parties -- Liberal, National, Christian Democratic, and Innovation and Unity -- have expressed their rejection of the document, which was signed on the Colombian island of San Andres on 2 August. The news media have also provided time for people to air views and criticisms on the Serranilla Cay issue.

The president has been reminded that Article 19 of the Constitution states: "No authority can make or ratify agreements or grant concessions detrimental to the territorial integrity, sovereignty, and independence of the Republic."

"Whoever does so will be judged for the crime of treason to the fatherland. Liability in this case cannot be mitigated," the Constitution states.

NICARAGUA

ORTEGA LETTER TO EPISCOPATES ON BISHOP VEGA

PA091338 Managua BARRICADA in Spanish 8 Aug 86 p 6

[Letter from President Daniel Ortega to "the Nicaraguan Episcopal Conference and the espicopates of the world," dated 18 July]

[Text] This is to clarify our posture about the case of Bishop Pablo Antonio Vega.

After the revolution eliminated the violent and oppressive social system which existed in our country, the Nicaraguan people and Government had to tackle the urgent task of constructing a new society in accordance with our history, culture, and traditions.

We are inspired by democracy, justice, equality, independence, national sovereignty, and peaceful coexistence with states and peoples. We are committed to the construction of a more fair domestic order and a newer, more humane and sensitive society.

Regrettably, the U.S. Government has refused to admit the Nicaraguan people's right to determine their own destiny. As an expression of this policy, the U.S. Government has imposed a war of aggression on us. This war of aggression has forced us to establish a state of emergency to cope with these acts which are contrary to Nicaragua's sovereignty.

The most recent expressions of this aggressive policy have been the approval of the $100 million, the use of all kinds of armament, and the military advice for the Somozist mercenaries. This situation forces us to strengthen Nicaragua's legal measures aimed at guaranteeing and safeguarding our people's genuine rights.

Despite this illegal and immoral war policy, Nicaragua has maintained a willingness for peace at all times. The Nicaraguan Government recently reacted positively and constructively to the Contadora proposals presented at the 7 June meeting. As a demonstration of this willingness for dialogue and understanding, Nicaragua proposed a series of specific steps that included an arms inventory, the drafting of a table of values for such arms, firm support for Contadora's efforts in Latin America, and a regional accord.

The Nicaraguan Government is dedicated to sparing our people the suffering that this unfair war entails. In an effort to obtain a peaceful and civilized solution, we presented our demands to the International Court of Justice [ICJ]. Recently the court's decision confirmed the justice of our cause.

In spite of this, our desire for peace and coexistence has been hampered by the U.S. Government's aggressive policy. This government has assumed positions that do not contribute to the construction of a new, more fair and humane order.

The Nicaraguan Government feels it is correct for all Nicaraguans, including religious authorities, to participate in the country's political life within the context of the pluralism advocated by the revolution. What is more, the Sandinist popular revolution has fostered such participation. Nevertheless, we do not regard as legal those political actions that are detrimental to the independence, sovereignty, self-determination, and peace of the Nicaraguan people and that therefore disrupt the institutional political climate.

Moreover, we have seen that some religious authorities have moved out of the religious sphere -- to which the Nicaraguan people are linked -- toward international political spheres that foster destabilizing actions against the Nicaraguan state. As we understand it, it is in this area that the case of Bishop Vega belongs. We refer to him directly in this message. The position of his eminence, Cardinal Msgr Miguel Obando y Bravo, would also fall within this description of destabilizing actions.

Bishop Vega clearly violated laws, contrary to the Nicaraguan people's genuine rights. He traveled twice to the United States -- trips financed by the CIA -- to back President Reagan's policy of war. He went so far as to meet with and make remarks while in the company of well-known counterrevolutionary leaders Adolfo Calero and Enrique Bermudez.

The description of Nicaragua's domestic situation as presented by Msgr Vega was determinant in the U.S. Congress' vote to back President Reagan's proposal. Reagan used the bishop's remarks as the principal argument in a speech.

In view of this posture by Msgr Vega, we hereby publicly warn of the political and legal responsibility that such a posture entails. We were deeply surprised at the fact that a few days later, on 2 July, Msgr Vega justified the war of aggression and expressed approval for the delivery of $100 million arms, and military advisers for the mercenaries, terming these criminal actions "a human right."

It is worth mentioning that Bishop Vega has underestimated the efforts for peace made by Contadora and the amnesty that we have been extending for the past 4 years, which benefits all those who have taken up arms and wish to lay them down, and overlooked the atrocities committed by the mercenary forces of the counterrevolution.

In the same statement, Bishop Vega disregarded the ruling of the ICJ, describing it as biased. He also justified an eventual direct U.S. aggression based on alleged "right" of that nation to "defend" itself from Nicaragua. He also explicitly approved of President Reagan's quoting him when defending his war policy against Nicaragua.

Our government could do no less than react and act in accordance with the law in face of a person who uses the moral authority he received through his position and pastoral status to support the aid to the armed counterrevolution and justify the crimes committed against our people.

With his words and actions Msgr Vega committed an act of provocation, placing himself outside the law and siding with the enemy. In view of this conduct, which has strongly affected the interests of the Nicaraguan nation, the Nicaraguan Government was forced to adopt the pertinent legal measures within the framework of the national state of emergency.

In this sense, respect for the domestic laws of Nicaragua becomes an obligation for everyone -- Nicaraguan and foreigner -- who may reside in the country, without any exception.

As we mentioned earlier, when Msgr Vega turned from the religious sphere to an illegal political sphere that greatly and seriously affects the interests of the country, he brought on himself the enforcement of the current measure.

In every country's history there have been times when complicity with an attacking foreigner has been a pubishable act, and if religious personalities are involved in this type of action, it is the prestige of the church and its mission to spread the gospel that are at stake. This is what we verify today in Nicaragua.

The pastoral letter released by the Nicaraguan Episcopate on 17 November 1979 encouraged us to search for a path of better understanding with the church. On our part, since the foundation of the FSLN, we have recognized and deeply valued the active and permanent participation of Christians in the revolution, and since 19 July 1979 we have guaranteed full religious freedom.

Much to our sorrow, we began to observe the sprouting of a series of difficulties. The path of understanding has not been an easy one; however, we believe that dialogue must not only be possible, but that we must take the first steps to achieve it.

In this sense, I have considered it convenient to address you, and through you your country's Episcopal Conference, in the hopes that your high authority will contribute to achieving this climate of dialogue and trust that the Nicaraguan Government wishes, thereby allowing for an understanding between the Church and the state.

BOGOTA TV NOTES RAMIREZ NEWS CONFERENCE

PA082114 Bogota Television Service in Spanish 1730 GMT 8 Aug 86

[Text] Nicaraguan Vice President Sergio Ramirez, who is in Colombia attending the presidential inauguration, said this morning that the Contadora Group must continue to mediate in order to overcome the Central American problems. Prior to meeting with President Virgilio Barco, Ramirez held a news conference.

Ramirez praised the current Colombian Government's decision to continue to support the Central American peace process within the Contadora framework and not through another organization such as the OAS, because in that way the United States could become a judge and an interested party in the conflict affecting the region. This is how we understand this, and we are pleased, Ramirez said, adding that the situation remains difficult because of the U.S. support for the counterrevolutionaries and its refusal to accept the ruling of the International Court of Justice. This implies, Ramirez said, the law of the jungle.

The Nicaraguan vice president also referred to the signing of the maritime delimitation treaty by Colombia and Honduras. According to some observers, this treaty has repercussions on the Nicaraguan claim over San Andres.

[Begin Ramirez recording] Nicaragua is not interested in promoting territorial conflicts or participating in discussions about territorial conflicts. Those are not our priorities. Our first priority is peace in Central America and Nicaragua. We are suffering the effects of a devastating war for the country, and we are the first to want peace.

We believe that Latin America has urgent problems to resolve, such as those of the foreign debt, economic injustice in international relations, and other problems that involve the consolidation of democracy in Latin America. We believe those are the problems on Nicaragua's agenda for Latin America relations rather than territorial conflicts. I categorically refuse to discuss territorial conflicts. [end recording]

Denies Rebel Training

PA082201 Madrid EFE in Spanish 2120 GMT 8 Aug 86

[Text] Bogota, 8 Aug (EFE) -- The only thing the United States has not accused us of is white slavery, Vice President Sergio Ramirez Mercado said today in Bogota.

That is how the Sandinist leader responded when asked if his country is training South American guerrillas and about his government's ties to the drug trafficking mafia.

"That is another accusation by the U.S. Department of State. Of course, my answer to those accusations is no. The only thing the United States has not accused us of is white slavery," Ramirez replied.

During a news conference held at a Bogota Hotel, the Nicaraguan vice president said that his country would be prepared to sign the Contadora Document on 15 September, "independence day for the Central American countries," so long as the parties involved in this conflict "sign the Bogota Declaration."

To that effect, Ramirez noted that "all those involved must make a commitment" to that document and urged the presidents and foreign ministers who are in Bogota attending the inauguration of new Colombian President Virgilio Barco Vargas to revitalize the Contadora efforts.

TIRADO MEETS REGION 4 COOPERATIVE LEADERS

PA090435 Managua BARRICADA in Spanish 8 Aug 86 p 5

[Text] U.S. aggression against Nicaragua is a fact which is seen not only in the murders and kidnappings of civilians, but also in the impact these criminal actions have on the country's economy.

Commander Victor Tirado made that statement yesterday during a brief meeting with almost 40 presidents of Region 4 agricultural cooperatives to explain the impact which the war and the recent disbursement of $100 million to the mercenaries is having on the cooperative movement in Nicaragua.

He recalled that since 1980 the aggression has claimed 31,290 victims -- civilian and military -- and to date the Somozist forces have killed or kidnapped 12,828 men and 1,537 women engaged in production activities in various parts of the country.

"This is affecting the economy, because these people were a human labor force with many years of experience, and they are hard to replace. For that reason, they constituted the most precious element of the revolution," Tirado said.

He stressed that this human labor, the product of the people's long learning process, is matched "by the human labor of fighters defending the revolution" and that although its impact on economic growth will not be seen yet, it is the base on which to consolidate the revolutionary process.

"The role of the cooperative movement has been shaped by U.S. aggression and the producers' experiences cannot remain isolated," the leader stated, urging the peasants of the region to share and exchange their experiences with cooperative members all over the country.

In the Los Pueblos zone, which covers southern Masaya and southwestern Granada, as well as Diriomo, Diria, and San Juan de Oriente municipalities, land ownership is divided as follows: 3,010 manzanas for cooperatives, 5,878 manzanas for small production, 1,540 manzanas for big production, and 2,927 manzanas for wage laborers.

Of the region's 49,000 residents -- 20,000 of them are living in rural areas -- there are 941 small farmers, 630 cooperatives members, 564 artisans, 777 merchants, and 5,855 wage laborers who are underemployed.

In Los Pueblos, the products farmed in an area covering 122 sq km include: 11,845 manzanas of corn, yielding an average of 386 quintals per manzana; 2,334 manzanas of beans, yielding 12 qunitals per manzana; and 2,000 manzanas of rice, yielding 15 quintals per manzana.

BRIEFS

SPANISH HEALTH AID -- The Spanish Embassy in Nicaragua has reported that Spain will provide $564,286 in health aid to Nicaragua this year. This aid will include the training of 15 Nicaraguan doctors in Spanish hospitals, the shipping of medicine to be unloaded at Corinto, books, and other things. [Summary] [Managua BARRICADA in Spanish 8 Aug 86 p 2 PA]

BRAVO ON L.A. PARLIAMENT, COLOMBIA VISIT

PA101615 Havana International Service in Spanish 0000 GMT 9 Aug 86

[Telephone interview with Flavio Bravo, president of the NAtional Assembly of the People's Government, in Bogota, by unidentified reporter; date not given — live or recorded]

[Text] [Reporter] President, how do you assess the special executive meeting of the Latin American parliament?

[Bravo] In that meeting a letter of intent was signed which documents agreement to work for the strengthening and the institutionalization of the Latin American Parliament. Almost everyone spoke; we can say that the tone of the talks was very positive. Participants spoke in favor of Latin America, and expressed the need for Latin American unity, economic integration, a struggle against the debt, the right to independence and self-determination, and the paeceful solution to area problems. That was the general tone of the talks.

[Reporter] What personal contacts did you have with presidents or with other leaders in Bogota?

[Bravo] We had the opportunity to exchange views with Presidents Lusinchi from Venezuela and Sanguinetti from Uruguay. We also talked to outgoing President Belisario Betancur and with many other figures from Colombia and Latin America. In all those conversations, we talked about the problems that are of most interest to all the countries: the problem of preventing a U.S. invasion in Nicaragua, and the problem of the foreign debt, which came up in all contacts.

[Reporter] What can you tell us about the welcome given to the Cuban delegation?

[Bravo] Cuba has extraordinary prestige. An attempt was made to impose silence about the presence of our country here. An attempt was even made to state that we are here illegally. It is true that we do not have official relations with this country, but Cuba is here. Everyone expressed their admiration and affection for our country, which enjoys great sympathy among the Colombian people.

[Reporter] Thank you very much, Flavio, for your kindness in granting us this interview.

COMMENTARY ASSESSES COLOMBIA'S BARCO VARGAS

PA081608 Havana International Service in Spanish 2300 GMT 7 Aug 86

["Our America" commentary, read by Norberto Hernandez]

[Text] As of today, 7 August 1986, Virgilio Barco Vargas, a 65-year-old Liberal Party member, is the new president of Colombia. He inherits a country with serious social and economic problems, a $15-billion foreign debt, increasing unemployment, and other problems whose solutions will test Barco Vargas' capacity to rule.

The good intentions always present in the record of any presidential candidate are not missing in the case of Virgilio Barco Vargas, who said that he will work to try to solve the problems of those sectors that need more help.

The new president, who once held the public works and agriculture portfolios and who is an expert on nutrition, inherits from his predecessor the Plan for Adjustment with Self-Discipline and Development [Plan de Ajuste con Autodisciplina y Desarrollo] approved by both the IMF and World Bank. Like other countries which are implementing similar plans, Colombia is experiencing unprecedented unemployment as a result of the collapse of small and medium-sized businesses. To this we must add the IMF pressures for the country to increase its imports. The cost of public services is constantly increasing, while wages are frozen and the currency devalued last year by 50 percent.

The outlook for the new president is not very promising. However, he has said he will do his best in the domestic field where the eradication of violence and the national pacification policy play an important role.

In regard to foreign policy, some observers say that Colombia and its new president will revise the nation's position as a member of the Contadora Group. Barco Vargas has announced the universalization of international relations within the concept of ideological pluralism, the improvement of the OAS, and Cuba's return to that organization.

We must not forget that during Betancur's administration, Colombia joined the Nonaligned Movement as a full member and played a leading role in the peace efforts of the Contadora Group.

The people of Latin America, and Central America particularly, expect from the new president of Colombia the determination of his predecessor for peace and the negotiated solution of conflicts. The Contadora Group is tirelessly struggling for these principles.

'OUR AMERICA' CRITICIZES U.S. PLANS FOR HAITI

PA101708 Havana International Service in Spanish 2300 GMT 8 Aug 86

["Our America" commentary, read by Norberto Hernandez]

[Text] Consistent with previous announcements, a U.S. Defense Department delegation is in Haiti to evaluate the needs of the Haitian Armed Forces for the purpose of providing arms and equipment to that nation.

This news, in addition to confirming the growing rapprochement with the U.S. Administration that General Henri Namphy is propitiating, represents a strong reason for concern among all national sectors, because it is evident that military reinforcements will serve to strengthen the government's openly repressive and antipopular policies.

At the end of July, (Chris Lemcham), director of Washington's office for Haitian affairs, charged that the White House is trying to turn the Haitian Army into a professional institution. To this end it is strengthening its links with forces connected to the Duvalierist dynasty at a moment when the people's demands that the government be cleansed of all the elements who where allies of the dictatorship have increased.

Washington's Office for Haitian Affairs, responsible for observing the human rights situation in the Caribbean nation, has said that the elections scheduled for next year will be supervised by an Army that has not been purged of Duvalierists, and that the elections process will be a farce similar to the one that put Francois Duvalier in power in 1957.

According to this office, the reason why the current Haitian Government Council is anxious to hold elections is clear: to ratify its control of the government.

On day before the arrival of the Pentagon delegation in Haiti, THE NEW YORK TIMES quoted sources from the U.S. Embassy in Port-au-Prince as saying that the United States will give arms, military equipment, and helicopters to the Henri Namphy regime. It is known that practically from the very beginning of the new administration, the people have been demanding that criminals linked to the past regime be put on trial. They also demand the effective dismantling of the hated repressive corps known as the Tontons Macoute and the cleansing of the public administration, which until now has been under the control of the Duvalierists. For this reason, the concern of the groups in the United States and Haiti that defend human rights is valid. They are concerned with the Pentagon's plans to rearm the Haitian Army and police.

During the months that have passed since Gen Namphy gained power, the U.S. Government has exerted strong pressure to seize complete control of the Haitian situation; it is evidently accomplishing this because political power is still in the hands of the Duvalierists.

GRANMA ON U.S. ANTIDRUG OPERATION IN BOLIVIA

PA081911 Havana International Service in Spanish 2300 GMT 7 Aug 86

["Cuban Press Review"]

[Text] A recent issue of the Cuban newspaper GRANMA, organ of the Central Committee of the Communist Party of Cuba, includes an article on the U.S. presence in Bolivia to undertake spectacular actions against drug trafficking.

The GRANMA article, "Falsehood of an Antidrug Operation," states that the background of that maneuver is sufficiently apparent to raise suspicions. Although Bolivia has proclaimed that the problem of corruption, drug trafficking, and illegal drug consumption is a crime against humanity that demands urgent action from all affected countries, the United States had refused to give Bolivia aid for that objective and also implemented a real financial blockade that brought difficulties to Bolivia.

For example, the U.S. Associated Press [AP] news agency reported that of the $29.3 million allocated to Bolivia by the Agency for International Development, only $9.5 million was disbursed. The rest, which was essential for the country's survival, was conditioned on the controlling of drug trafficking by Bolivia, in other words, that it accept the military contingent currently operating in the country.

GRANMA states that 160 soldiers of a special rapid deployment force, equipped for irregular warfare, are participating in the U.S.-sponsored operation. According to various reports and charges, the campaign is directed at the destruction [of coca] through the introduction of dangerous defoliants and the use of a centipede plague capable of destroying 1,500 hectares of plants in a single night [as heard].

The results have been nonexistent: 2 weeks after the campaign began, not a single gram of cocaine has been seized.

The U.S. campaign is not limited to the elimination of the surplus of coca which might be used to produce cocaine, but to the total elimination of that plant which is widely used in Bolivia legally and from which thousands of peasant families obtain their livelihood. Those peasant families are not being given an alternative and the essential means to cultivate other crops.

GRANMA adds that as usual the United States has managed to avoid acting against the main cause of the problem, which is its own huge market for consumption and the scandalous tolerance towards drug trafficking and usage. The most important U.S. publications confirm that reality. For example, TIME magazine categorically stated in its latest issue: The only path to control the drugs infection in the United States is to discourage domestic demand, not by nibbling at Latin American suppliers.

GRANMA quotes other U.S. publications that criticize the drug trade in the United States. AP stated in a dispatch just a few days ago that the marijuana grown in California and Hawaii has displaced the cannabis of the Sierra Nevada [as heard]. THE NEW YORK TIMES disclosed that the United States currently has record productions of marijuana and cocaine.

It is known, GRANMA comments, that the goal of the international drug mafia which operates with more than $200 billion in capital is precisely the United States. As we can see, the Washington government's antidrug campaigns are not aimed in that direction. The obstinate refusal to cooperate with plans to replace the crops in Bolivia shows that not even outside U.S. territory are its campaigns aimed at the elimination of the objective causes of the problem or the prevention of its consequences. The current operation in Bolivia seeks the gradual establishment of Yankee bases in South America and warlike exercises related with the aggression against Nicaragua to test possible Latin American reactions. GRANMA concludes that in this case, as in many others, the United States sees the mote in another's eye and not the beam in its own.

Seen as Intervention Pretext

PA080439 Havana International Service in Spanish 0000 GMT 7 Aug 86

[By Maruja Garcia]

[Text] Everything seems to indicate that the United States has decided to flaunt the banner of the antidrug struggle in front of the world public opinion to make its interventionist actions easier. Evidence of this is that its much publicized antidrug efforts are being undertaken outside of the United States, where these are in fact most needed. Using this pretext, the U.S. Government is advancing a ranting propaganda campaign against Mexico, and trampling on Bolivian Sovereignty by sending U.S. troops there.

Now it appears that, according to these elaborate U.S. plans, it is Costa Rica's turn. Costa Rican Civil Police Director Manuel Rivera [title as heard] has said that the Costa Rican authorities are willing to admit U.S. troops into the country to fight drug trafficking. The plan will arouse suspicion. The Costa Rican Government has shifted from its earlier and much hailed policy of neutrality to a position dangerously aligned with the U.S. policy in Central America.

The activities of the counterrevolutionary bands that attack Nicaragua from Costa Rica have intensified, while President Oscar Arias feigns ignorance of Nicaragua's recent proposals to create a demilitarized zone between the two countries. Nicaragua, Costa Rica, El Salvador, and Honduras are members of the so-called Tegucigalpa Group, created at the urging of the United States. Until now, the group's only accomplishment has been to delay and obstruct the peace efforts of the Contadora Group. Costa Rica's possible admittance of U.S. troops into its territory will make easier the U.S. plans, which include its latent intention of directly attacking Nicaragua.

Since U.S. troops disembarked in Bolivia, the most diverse sectors of Latin American public opinion have said that this may be a way of testing the hemisphere's reaction to an eventual U.S. invasion of Nicaragua. The U.S. pretext of fighting drug trafficking in Costa Rica can cause large-scale actions, the effects of which are unpredictable.

PYONGYANG'S NODONG SINMUN INTERVIEWS CASTRO

For the text of an interview with President Fidel Castro by Pyongyang's NODONG SINMUN and carried on Pyongyang Domestic Service, in which he comments on the 1988 Seoul Olympics and Cuba's participation in those games, see the North Korea section of the 8 August Asia & Pacific DAILY REPORT.

CROMBET MEETS WITH CPSU LEADERS IN MOSCOW

FL082355 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Aug 86

[Text] Jaime Crombet, member of the Secretariat of the Communist Party of Cuba Central Committee, today attended a friendly meeting at the headquarters of the Cuban embassy in Moscow. Present at the meeting were CPSU leaders and Soviet Government officials.

(Andre Kachanov), functional section chairman of the State Committee for Foreign Economic Relations, and other leaders participated in the meeting.

RISQUET RECEIVES PORTUGUESE PARTY LEADER

FL091134 Havana Radio Progreso Network in Spanish 1100 GMT 9 Aug 86

[Text] Jorge Risquet, party Central Committee Politburo and Secretariat member, has received Portuguese Communist Party Secretary General Alvaro Cunhal, who is visiting at the invitation of the Communist Party of Cuba. At Jose Marti International Airport, Risquet and Cunhal talked about friendship and solidarity ties existing between the two Communist Parties.

ETHIOPIAN OFFICIAL ARRIVES FOR WORKING VISIT

FL091148 Havana Radio Progreso Network in Spanish 1100 GMT 9 Aug 86

[Text] Tesfaye Maru, Workers' Party of Ethiopia Central Committee Member, Chairman of the Ethiopian Committee of Solidarity with Cuba, and Ethiopia's urban development and housing minister, has arrived in Cuba on a working mission at the invitation of the Cuban Institute of Friendship With the Peoples [ICAP]. He was welcomed at the Jose Marti International Airport by Rene Rodriguez, party Central Committee member and ICAP president.

BARBADOS

PRIME MINISTER BARROW ASKS PEOPLE FOR MORE TIME

FL081811 Bridgetown CANA in English 1752 GMT 8 Aug 86

[Text] Bridgetown, Barbados, Aug 8, CANA -- Prime Minister Errol Barrow last night appealed to the Barbadian public to give his nine-week-old government a little more time to carry through its programme. Speaking at an induction ceremony for 600 new members of the ruling Democratic Labour Party (DLP), he said there was perception that because the DLP had a massive 24-3 majority in Parliament, the administration could perform overnight miracles. There is a feeling in Barbados that because you have 24, then you can do things a lot more quickly and a lot more ruthlessly than if you only have 14, Barrow said. All I can ask you is to give us a little time and you will see the changes which will come about in this society.

After 10 years in opposition, the DLP was swept back to power in general elections on May 28, drubbing the Barbados Labour Party (BLP) which had been in office from 1976.

HAITI

1 KILLED, 2 ARRESTED IN PORT-AU-PRINCE INCIDENT

PA092318 Paris AFP in Spanish 0003 GMT 9 Aug 86

[Text] Port-au-Prince, 8 Aug (AFP) -- A young man died today of bullet wounds inflicted by civilians in an incident in Port-au-Prince, medical sources said. Meanwhile, two photographers, one of them from AFP, were arrested, according to the police.

According to witnesses, the incident took place when AFP photographer Lys Pierre-Louis was taking pictures of an armed civilian trying to arrest an unidentified individual on a street in downtown Port-au-Prince. A crowd began beating up the armed civilian, accusing him of being a "Tonton Macoute" (a militiaman of the overthrown government of Duvalier) until a military patrol arrived, disarmed the civilian, and dispersed the crowd. Subsequently, the police said the armed civilian was a detective from the criminal investigations service who was trying to arrest a thief. There was some shoving between the armed civilian and the AFP photographer and later on, other armed civilians shot and injured the young man, Bobby Narcisse, who was taken in an ambulance to a Port-au-Prince hospital where he died, according to medical reports. According to numerous reports, the victim was also a member of the criminal investigations service and he may have been a victim of shots fired by his own colleagues.

The AFP photographer was arrested by the police who told the AFP office in Port-au-Prince that he would be turned over to the authorities. Clifford Larose, photographer of the Haitian weekly, HAITI PROGRESS, published in the United States, was also arrested for reasons that were not explained.

According to a police official, Lys Pierre-Louis will be accused of attacking the detective and allowing the crowd to lynch him.

This version is different from that of several witnesses, among them an AFP technician, who said that it was the detective who slapped and spit on the photographer's face because he disliked being photographed.

DECREE TO LIMIT POLITICAL PARTIES ISSUED

FL081224 Bonaire Trans World Radio in English 1130 GMT 8 Aug 86

[Text] Haiti's interim government has issued a decree on the formulation of political parties. From now on, all parties must have a minimum of 20 members and at least five dominant leaders throughout the country and also limits the amount of money the parties can receive from any one political or international source.

TRINIDAD-TOBAGO

LOCAL ELECTION POSTPONED BY HOUSE-SENATE BILL

FL090100 Paramaribo International Service in English 1730 GMT 9 Aug 86

[Text] In Trinidad and Tobago, the senate last night approved a bill passed earlier by the House of Representatives effectively postponing local government elections in the light of preparation for general elections. Local government elections were due this month. In laying the bill in the upper house, leader of government business Kamaluddin Mohammed and local government minister Senator Neville Connell said the Elections and Boundaries commission did not have everything it needs to conduct a (?poll). General elections in Trinidad and Tobago are constitutionally due in February.

BOUTERSE CRITICIZES NETHERLANDS OFFICIALS

FL091211 Bonaire Trans World Radio in English 1130 GMT 9 Aug 86

[Text] Suriname's prime minister has criticized Dutch officials and news media yesterday suggesting that a former Suriname minister in Holland is behind a plot to overthrow the government of Suriname. The remarks were made during an interview with a Dutch radio facility.

Armed men reportedly led by Ronny Brunswijk, a former bodyguard to Desi Bouterse, staged attacks against the military barracks in the rivertown of Albina and a border post near French Guiana last month.

HERRENBERG ON RELATIONS WITH VENEZUELA, COLOMBIA

PA101818 Paris AFP in Spanish 2341 GMT 9 Aug 86

[Text] Caracas, 9 Aug (AFP) -- Surinamese Foreign Minister Henk Herrenberg has met with Colombian and Venezuelan Presidents Virilio Barco and Jaime Lusinchi, respectively, in an effort to promote the development of relations between the three countries. Herrenberg, who made a technical 6-hour stopover in Caracas on his return from Bogota, where he attended Barco's inauguration, said he had the opportunity to discuss the integration with South America of Suriname, a former Netherlands colony, with the presidents present at the inauguration ceremonies.

Suriname, a republic of only 350,000 inhabitants located in northern South America, is experiencing a critical situation due to the economic blockade imposed by the Netherlands Government to provoke political changes in the current Surinamese Government, headed by Commander Desi Bouterse. Herrenberg added that both Barco and Lusinchi "understand the situation that Suriname is experiencing and its difficulties in integrating itself in the region."

Regarding his talks with Lusinchi, Herrenberg said the Venezuelan president "has a very clear idea of the role that Venezuela should play in the Caribbean and South America." Herrenberg said: "The position of the Venezuelan Government toward Aruba, Curacao, and the Netherlands Antilles, is a desire to find a place within the continent." [sentence as received] Suriname and Venezuela have trade agreements on the purchase of bauxite and on fishing.

ARMY UNITS ARREST BELGIANS VISITING BRUNSWIJK

FL071304 Bonaire Trans World Radio in English 1130 GMT 7 Aug 86

[Text] In Suriname, army units have arrested three Belgians in an action that, according to observers in Paramaribo, is linked to the army search for the guerrilla force of former Sergeant Ronny Brunswijk. One of the arrested Belgians had been employed by a lumber company, the other two were visiting him.

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FAO'S SAOUMA PROPOSES 'NEW APPROACHES' TO CRISIS

FL112203 Bridgetown CANA in English 2100 GMT 11 Aug 86

[Text] Bridgetown, Barbados, Aug 11, CANA -- Director General of the United Nations' Food and Agriculture Organization (FAO) Edouard Saouma declared today that the general economic crisis has dealt a heavy blow to agriculture in the Caribbean and Latin America and proposed "new approaches" including strengthened regional arrangements and a possible common market.

In his keynote statement to the 29th regional conference for Latin America and the Caribbean, Saouma said: "This conference opens in a particularly difficult economic and financial state.

"After 40 years of progress in the region, per capita gross income started to decline in 1981. Since then there has been a general downturn in economic activity. The general economic crisis has dealt a heavy blow to agriculture."

He listed foreign debt as one major problem overshadowing everything else. The region's debt, he said, stood at 400 billion dollars (U.S.), with servicing absorbing nearly 50 percent of export revenues and countries in the region having to agree to tough conditions often dictated by their creditors.

"I am appalled at the thought that every child in the region is in debt from the moment he is born, and will remain in debt until the day he dies", Saouma declared.

FOREIGN MINISTER DISCUSSES CENTRAL AMERICAN CRISIS

PY112204 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1931 GMT 9 Aug 86

[Text] Buenos Aires, 9 Aug (NA) — Foreign Minister Dante Caputo today said that "if the law of the jungle were to prevail in Latin America, all of our countries would be profoundly harmed," and pointed out that "no matter how complex the diplomatic solution to the Central American crisis is, it is infinitely less costly than a solution through war."

Caputo stated that "it will cost us a great deal, and will be difficult, but, fortunately, the Contadora Group and its supporting countries have a defined political will to contribute to the pacification of the region."

The foreign minister made these statements on board the airplane which carried President Alfonsin and the Argentine delegation back to Argentina. The president and the delegation attended the meeting of the Group of Six in Mexico, and the inauguration of the new president in Colombia.

Caputo, who attended the swearing in of new Colombian President Virgilio Barco Vargas, met with the representatives of the Contadora Group and of the Contadora Support Group in Bogota and said that there was total unanimity about "the idea that force should not be used as a mechanism for solving conflicts."

"We are experiencing a very difficult moment, and confidence in a diplomatic solution might decline," he said, adding that "the meetings in Colombia showed, however, that eight Latin American countries are willing to continue with the efforts of the Contadora Group."

He said: "None of us has any illusion about the difficulty this represents, particularly when certain countries, unfortunately, choose the wrong way of approaching the Central American conflict."

He confirmed the Argentine official position of opposing the U.S. Government policy "to solve this question through the counterrevolutionary forces in Nicaragua."

Caputo deemed as "positive the meetings held in Colombia with the eight countries" which make up both the Contadora Group and the Support Group, and said that during these meetings "it was decided to continue with the peace-seeking efforts in Central America."

He said that the matter is not "legal" but "political," and that the eight Latin American countries also agreed in principle to hold another meeting next September. He concluded by saying that "a war will harm us all," and "we are, therefore, seeking a solution to settle this conflict."

FOREIGN MINISTRY BEGINS CONTACTS ON FALKLANDS

PY120110 Buenos Aires TELAM in Spanish 2259 GMT 11 Aug 86

[Text] Buenos Aires, 11 Aug (TELAM) -- The Argentine Foreign Ministry today began to analyze its strategy aimed at the recovery of the Malvinas Islands, in the light of the upcoming UN General Assembly, which will take place in New York during the second half of September.

To this end, Argentine Under Secretary for Special Affairs Juan Carlos Beltramino began a round of talks with the ambassadors of India and Yugoslavia, two of the leading countries of the Nonaligned Movement. This round of talks will continue for several days.

The objective of Argentina's strategy is to get from the international community support for Argentina's position that favors negotiations on [words indistinct] with the United Kingdom.

POLICE CONFISCATE $10 MILLION WORTH OF COCAINE

PY071348 Buenos Aires DYN in Spanish 2221 GMT 2 Aug 86

[Text] Buenos Aires, 2 Aug (DYN) -- According to what has been reported by police narcotics department sources, 20 kg of cocaine hydrochloride ready for sale and worth $20 million was confiscated in the predawn hours today during an operation carried out at five hotels on Avenida de Mayo.

The cocaine was ready to be exported from the country to Europe and the United States by six Bolivian and Argentine drug traffickers whose names have not yet been disclosed. It was found in suitcases with false bottoms and wrapped in plastic bags inside small "envelopes."

Police sources have reported that the head of this important drug-trafficking ring is at large, but that they hope to be able to arrest him at any time and thus follow the trail that connects this group to an international drug trafficking ring.

The same sources noted that the gigantic operation recently staged in Bolivia against drugs detoured from the usual drug route -- the north route via Colombia to Miami and Europe -- to the south starting from Buenos Aires, where it branches out to world distribution centers.

Local government officials have recently noted that there has not been an increase in drug consumption in Argentina, but that the transit of drugs and alkaloids has increased.

BRIEFS

AUSTRAL DEVALUED -- The Central Bank has announced that the austral has been devalued by 3.23 percent relative to the dollar. The dollar stands at 1 austral to $1, buying, and 1.1 austral to $1, selling. [Summary] [Buenos Aires Domestic Service in Spanish 1600 GMT 11 Aug 86 PY]

EDUCATIONAL TV EXCHANGE WITH BRAZIL -- Argentina Telvisora Color (ATC) and the Fundacao Centro Brasileiro de Televisao Educativa (Funteve) have signed a 3-year agreement providing for the training of artistic, administrative, and professional personnel under an exchange program. Also under the agreement, joint seminars, courses, and program exchanges will occur. [Excerpts] [Buenos Aires TELAM in Spanish 1726 GMT 29 Jul 86 PY]

GEN LOPEZ LEYTON TERMS GOVERNMENT WORK POSITIVE

PY081446 La Paz La Red Panamericana in Spanish 1130 GMT 8 Aug 86

[Text] The Bolivian Armed Forces consider positive the work being conducted by the MNR [Nationalist Revolutionary Movement] government headed by President Victor Paz Estenssoro.

General Raul Lopez Leyton, commander in chief of the Bolivian Armed Forces, made this statement, adding that the people should have more faith in the national authorities.

Regarding the role of the Bolivian Armed Forces, Lopez Leyton said that the most important factor is the unity that is being achieved in the Armed Forces.

Regarding rumors of possible uneasiness caused by the presence of foreign troops in the country, he said that they are not true, that they are mere speculation stemming from sectors that claim the existence of a reported penetration by neighboring countries into Bolivia. The units in charge of safeguarding the borders are conducting their tasks efficiently throughout the nation, he said.

MINISTER DISCUSSES RENEGOTIATION OF FOREIGN DEBT

PY120144 Paris AFP in Spanish 1451 GMT 10 Aug 86

[Text] La Paz, 10 Aug (AFP) — Planning and Coordination Minister Gonzalo Sanchez de Lozada today reported in La Paz that Bolivia will renegotiate its private foreign debt -- more than $1 billion -- with the foreign banks in Washington as of 18 August. The minister said that the negotiation will be difficult because the interests and amortizations cannot be paid unless the banks are willing to grant a greater flow to the current debt, thus activating the national economy.

Sanchez added that 75 percent of this debt is already in arrears with some 129 banks in various countries, and that Bolivia cannot make the payments if it does not have the income.

In conclusion, he said that Bolivia is a country that has been hit hard and is facing a profound recession. The only thing to do, according to Sanchez, is to work in order to reactivate the economy.

Bolivia's foreign debt totals $5 billion.

UMOPAR ARRESTS 7, DISCOVERS 11 COCAINE FACTORIES

PY092255 La Paz La Red Panamericana in Spanish 1130 GMT 9 Aug 86

[Text] Members of Umopar [Mobil Units for Rural Areas] have destroyed 11 cocaine factories and other paraphernalia in (Sinahota) and (Eterezama).

Five operating cocaine factories were detected during an air reconnaissance operation. The Umopar members also found enriched water and other paraphernalia which was burned on the site. In another operation conducted by Umopar in (Senda Tres), Tacuaral and (Eterezama) six cocaine factories were found. Elsewhere, in yet another operation, 900 grams of cocaine were found in Paracti, Chimore and sent to the Dangerous Substances Directorate in Cochabamba. This directorate also sent the attorney general 1.3 kg of cocaine seized during an operation in which seven people were arrested. This group consisted of six Bolivians and one Nigerian.

BRIEFS

GREEK AMBASSADOR PRESENTS CREDENTIALS -- Alexios Zakinthinos a few days ago presented his credentials to President Victor Paz Estenssoro as the new Greek ambassador to Bolivia. Zakinthinos is headquartered in Lima. [Excerpt] [La Paz PRESENCIA in Spanish 12 Jul 86 p 7 PY]

NAVY COLLEGE COMMANDER -- On 25 July Captain DAEM [Graduate of the National War College] Francisco Mariaca S. was installed as commander of the Navy College. Mariaca is replacing Captain Luis Azurduy, who has become the Navy chief of staff. [Excerpts] [La Paz EL DIARIO in Spanish 25 Jul 86 p 5 PY]

NAVAL WAR COLLEGE DIRECTOR -- During a ceremony held on 28 July and attended by Navy Chief of Staff Captain Luis Azurduy Z., Captain DAEM [Graduate of the National War College] Fernando Torred Alarcon was installed as director of the Dr Ladislao Cabrera Naval War College. Torres Alarcon is replacing Captain Francisco Mariaca. [Excerpt] [La Paz EL DIARIO in Spanish 29 Jul 86 p 5 PY]

INAC DIRECTOR -- In a ceremony to be held on 24 July at 1000 at the INAC (National Institute of Civic Aeronautics) building in Miraflores district, Colonel Eduardo Mendez M. will be installed today as the INAC director. Mendez is replacing Colonel Alberto Vasquez. [La Paz EL DIARIO in Spanish 24 Jul 86 p 4 PY]

INFLATION RATE -- The National Institute of Statistics has reported that from January to June 1986 the cumulative inflation rate reached 56.63 percent. [Excerpt] [La Paz PRESENCIA in Spanish 27 Jul 86 p 10 PY]

GROSS, NET RESERVES -- Finance Minister Juan Cariaga has told PRESENCIA that through 14 July Bolivian gross reserves totaled $337.5 million, while net reserves totaled $214.9 million. [Excerpts] [La Paz PRESENCIA in Spanish 20 Jul 86 p 1 PY]

NONTRADITIONAL EXPORTS -- The Information Ministry has reported that in the first half of 1986, Bolivia collected $175 million on its nontraditional exports. [Excerpts] [La Paz PRESENCIA in Spanish 31 Jul 86 p 7 PY]

URUGUAYAN PRESIDENT ARRIVES IN BRASILIA

PY111646 Madrid EFE in Spanish 1458 GMT 11 Aug 86

[Text] Brasilia, 11 Aug (EFE) -- Uruguayan President Julio Maria Sanguinetti today travelled to the Brazilian capital to start an official 5-day visit to this country. Sanguinetti arrived at the Brasilia Military Base from Salvador, capital of Bahia State, where he spent the weekend, at 1105.

The Uruguayan chief of state and his entourage were met by Brazilian President Jose Sarney, government officials, and members of the military. After the military honors, which included a salvo of cannon fire, Sanguinetti and his entourage left for the Jaburu Palace, where they will stay.

The two presidents will hold their first private meeting this afternoon at Planalto Palace, the seat of the Brazilian Government.

FURTHER REPORTAGE OF ALLEGED NUCLEAR TEST SITE

Details of Testing Area

PY111602 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Aug 86 p 6

[Text] The Brazilian Government is building underground installations in the Cachimbo Serra, south of Para State bordering Mato Grosso, for military purposes. The installations consist of wells and domes that will make them suitable for various types of nuclear tests and storage of atomic waste.

Geological and hydrological surveys have been conducted in the area since 1981. Last month, the construction of a 1-meter diameter, 320-meter deep well was completed. The area for testing will be completed by 1991. When FOHLA DE SAO PAULO announced that it would publish the news in today's issue, President Jose Sarney reacted. According to his press secretary, Fernando Cesar Mesquita, the president said "no document of that type has ever come to my desk." Military Cabinet Chief General Ruben Bayma Denys said, again according to Presidential Press Secretary Mesquita, that the information "is absolutely untrue." Brigadier Hugo de Oliveira Piva, director of the Airspace Technical Center of San Jose dos Campos (Sao Paulo State), was called early last night to come to Brasilia urgently.

The region where the wells and domes are being constructed was by decree staked out as a military area during the Geisel government (1974-1979). It is bisected by the Cuiba-Santarem Highway (Brazil 163) and is 720 km from Belem (Para State), 1,200 km from Brasilia, and 720 km from Manaus (Amazonas State). The three closest forest areas are: the Mundurucania forest reservation at 180 km, the Bau-Mencranotire Indian Reservation at 60 km, and the Xingu Nacional Park at 300 km.

The testing area project was prepared by the Armed Forces Joint Staff (EMFA) with the cooperation of scientists from organizations that fall under the Space Technical Center (CTA) of the Aeronautics Ministry, 97 km to the northeast of Sao Paulo; namely, the Space Activities Institute (IAE) and the Advanced Studies Institute (IEAV). The area's military security is the responsibility of the Brazilian Air Force, which has a 3,200-meter landing strip in the area.

The Cachimbo Serra was chosen because of its geological characteristics. It comprises a group of plateaus with a maximum height of 640 meters above sea level. It is covered with sandstone and a thick layer of impermeable igneous rocks that protect the phreatic (water-bearing) layers. The Cachimbo Serra Military Region is located in the municipality of Itatituba and occupies 700 sq km -- the largest in Brazil. The geological survey revealed that the area contains no exploitable mineral resources. Its underground characteristics permit the necessary excavations for the construction of atomic waste dumps and domes for nuclear testings. The military reservation of the Cachimbo Serra is already being used by the Armed Forces for testing of war materiel such as fragmentation bombs and conventional (nonnuclear) rockets and missiles.

The first well to be constructed was finished last month. It is 1 meter in diameter and 320 meters deep. The Mineral Resources Prospecting Company of the Mines and Energy Ministry (CPRM) began geological and hydrological surveys of the region in 1981 at the request of the Airspace Technical Center (CTA) of the Aeronautics Ministry. The first geologists who went to that work for the Superintendency of the Mineral Resources Prospecting Company (CPRM) of Minas Gerais. The project was surrounded by security measures from the start, and the personnel working on it knew that it was "secret."

The well that was finished in July took a year to be dug and overlaid because the CPRM did not have the technology to dig a well of that size and the Aerospace Technical Center (CTA) had to import a drilling column from the United States. This well is 17 km from the Cuiaba-Santarem Highway. At times 40 people worked on the construction of this well. Only the CPMR director had access to information on the work, which was internally known as "Indian Stone Project." Since being commissioned by the CTA for this work, the CPRM has had three presidents: Jose Raimundo de Andrade Ramos, General Salvador Mandin, and Jose Carlos Boa Nova, who is the current president.

Excerpts from the IAE, IEAV, and the Navy continue to survey the land to locate the sites where future wells and domes will be built. This survey is scheduled to be completed by the end of this year. The wells will have the same dimensions as the one that was completed in July. This well has been overlaid with concrete, but the domes will be overlaid with concrete, lead, and asbestos. The wells where the atomic waste will be stored will be 100 to 150 meters deep and will be overlaid with concrete alone. The explanation is that their depth minimizes the risk of leakage.

By the end of 1991, Brazil might be the first country south of the equator to possess areas reserved for underground atomic tests and atomic waste storage. The main objective of the EMFA project is to guarantee the mastery of advanced technology (advanced studies or pure physics) to which only developed nations have access and which will not be transferred. Since November 1985, the EMFA has had the cooperation of experts from two organs that fall under the CTA, the IAE and the IEAV. The IAE and the IEAV, jointly with the Navy Research Center and the cooperation of the Nuclear Research Institute of Sao Paulo University, have been working for several years to gain technological expertise over the raw materials essential to the manufacture of nuclear devices: plutonium and enriched uranium.

Two reasons have led the EMFA to continue this project: Soon the Angra nuclear plants will be operating fully and the country must find a way to store atomic waste (uranium burned by the reactors, radioactive materials and unburned uranium that has captured neutrons become plutonium) without posing risks for the population; and second, to manufacture atomic missiles.

The second phase of this project -- the manufacture of atomic warheads -- which is considered the most important, is also under way. An agreement was signed last year between the Governments of Brazil and the PRC for the exchange of technology leading to the development of solid fuel missiles with atomic warheads similar to those developed by the United States in the 1960's.

Physicists: Plutonium Tests Possible

PY111857 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Aug 86 p 6

[Text] After being informed by FOLHA DE SAO PAULO about the construction of underground facilities in the Cachimbo Serra region, possibly for atomic experiments, nuclear physicist Rogerio Cerequeira Leite said that the facilities being built there "may mean that the government has decided to carry out small chain reactions or preliminary nuclear reactions, which do not produce much energy, but will serve to formulate a process for the production of plutonium." Cerqueira Leite is a professor at the University of Campinas (Unicamp) and is a member of the FOLHA Editorial Council.

Contacted by phone in New Jersey (on the Eastern seaboard of the United States), Cerqueira Leite discarded the possibility that those installations will be used for "nuclear waste" storage. He then added: "I do not believe that Brazil should be so prematurely concerned with atomic waste storage, because the material removed from a nuclear reactor can only be manipulated and transported to a definitive storage site after its has been "cooled" for 5 or 6 years. Furthermore, the question of atomic waste is only a recent source of concern in the world, even in the United States."

Physicist Jose Zatz agrees with Cerqueira Leite: "This information is consistent with the execution of minor tests with highly radioactive material, but the possibility of tests with highly toxic or explosive material cannot be dismissed." For Cerqueira Leite, the concern of the experts involved in the project to locate areas that are impermeable to the phreatic layers in the subsoil "indicates that contaminating substances are being manipulated there, substances that, should they leak and contaminate phreatic layers, and consequently rivers, will have tragic consequences."

Rogerio Cerqueira Leite said that the information gathered by FOLHA DE SAO PAULO is consistent with the construction of a "furnace" for the production of plutonium. He added that "experiments like this are normally conducted in underground tunnels and the concern for security is warranted because 1 billionth of a gram in the lungs is fatal for a human being."

Uranium is produced by the bombardment of Uranium 238 with neutrons released by Uranium 235. Experiments like those in the hypothesis raised by Professor Cerqueira Leite are aimed at working out stages in the process of producing plutonium. Cerqueira Leite concluded: With these experiments, some of them conducted at low temperatures, it is possible to identify moderator agents necessary in the process, as well as to make observations that will be useful in the future. These experiments might be thought of as the pilot project for a large-scale undertaking."

Military Use Possibility Admitted

PY111848 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Aug 86 p 9

[Text] A secret 32-page document issued by the National Nuclear Energy Commission (CNEN), which is linked with the Mines and Energy Ministry, includes a copy of a decree signed by former President Ernesto Geisel on 7 March 1979. The decree reserved the "Cachimbo." "Caruaes," and "Gorotire" areas in Para State for "Armed Forces testing grounds." The document, which FOLHA obtained from Government House in Brasilia, states that "some technologies and know-how that are developed for peaceful purposes can be useful for military development."

The first pages of the document were obtained by FOLHA earlier and its last pages yesterday. The document was prepared in response to a "request for information" to the government by Deputy Eduardo Suplicy, Workers' Party (PT) candidate for the governorship of Sao Paulo, who wanted to learn about the government's nuclear activities. The document also contains copies of the agreements that Brazil has signed with the PRC and Argentina. Deputy Suplicy yesterday said: "I requested information on the activities that the government is carrying out in the nuclear field, and the copy of the decree came among the other papers."

The document confirms that the government is conducting research in reprocessing plutonium, which is used for manufacturing atomic bombs or feeding fast reactors in combination with enriched uranium. The CNEN says that "depending on the strategy adopted for reactors, the plutonium obtained from industrial reprocessing, combined with uranium, could be utilized in pressurized water reactors (PWR), obviating the use of enriched uranium." The Angra 1 reactor is a PWR type reactor.

EMFA Admits Construction

PY111833 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Aug 86 p 8

[Text] The Armed Forces Joint Staff (EMFA) yesterday admitted in an official note that a project is being carried out in the Cachimbo Serra area in the southern region of Para State bordering Mato Grosso State for "the testing of material and equipment." The note, however, affirms that Brazil does not have "any testing program" leading to the manufacture of nuclear weapons. The government refused to grant permission for a journalist from FOLHA DE SAO PAULO to visit the Cachimbo Serra site. The EMFA released the note in the wake of a report published exclusively by FOLHA yesterday regarding underground facilities that are being built at the military base in that region. The note confirms part of the information published by FOLHA, and does not deny any part of it. The government's reaction was terse but denoted concern. The Planalto Palace's apprehension is motivated primarily by four reasons [as published]. First, fear that the news may encourage ultraconservative military officers in Brazil and Argentina who are interested in frustrating negotiations between the two countries to reach a bilateral nuclear agreement. The Sarney government considers it important to improve relations with Argentina, and the nuclear question has historically been a sensitive subject between the two countries. The Planalto Palace fear is that the diplomatic effort for a rapprochement with Argentina might be undermined by old mistrusts in the nuclear sector.

Relations with Argentina are the main concern at Planalto Palace following the report published by FOLHA. But the Sarney government is also afraid that the news may create difficulties in the delicate relations with the FRG and the United States in the area of advanced high technology. There is the added fear that the international community might become suspicious about Brazil's professed intention of using nuclear energy only for peaceful ends. Finally, it is believed that type of information could delay the country's progress in the nuclear area. The refusal by the Aeronautics Ministry to allow FOLHA reporters access to the military base at Cachimbo Serra demonstrates that the government does not intend to facilitate the publication of information on that sector, despite the fact that the official EMFA note indicates that the information published by FOLHA is true and was correctly reported. The sophisticated security scheme around Cachimbo Serra will remain just as tight. No government official will formally reveal the whole nature of "the testing of material and equipment for the development of airspace capability." However, someone in the government was willing yesterday to admit "off the record" the possibility that atomic waste might be stored and nuclear experiments for either peaceful or military purposes might be conducted at Cachimbo Serra.

Military Testing Ground Decree

PY111733 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Aug 86 p 9

["Text" of Decree No 83,240 reserving an area of land for use by the Armed Forces as a testing ground in Para State]

[Text] Article 1 -- The three adjacent areas known as "Gleba Cachimbom," "Gleba Curuaes," and "Gleba Gorotire," which cover a total area of approximately 4,407,000 hectares in Para State and are owned by the Federal Government, are hereby reserved as an "Armed Forces testing ground," which shall be under the jurisdiction of the Armed Forces Joint Staff.

Single paragraph -- The land area referred to in this Article has the shape of an irregular nonagon (ABCDEFGHIA), the vertices of which have the following coordinates:

A: 054 degrees 07 min W, 07 degrees 30 min S; from "A," a straight line up to B" 054 degrees 22 min W, 07 degrees 44 min S; from "B," a straight line up to C: 054 degrees 15 min W, 08 degrees 00 min S; from "C," a straight line up to D: 054 degrees 07 min W, 08 degrees 23 min S; from "D," a straight line up to E: 054 degrees 06 min W, 08 degrees 35 min S; from "E," a straight line up to F: 054 degrees 03 min W, 08 degrees 49 min S; from "F," a straight line up to G: 054 degrees 06 min W, 09 degrees 36 min S; from this point, a straight line following the borderline between Para and Mato Grosso States up to H: 056 degrees 00 min W, 09 degrees 29 min S; from "H," a straight line up to I: 056 degrees 00 min W, 07 degrees 30 min S; from "I," a straight line up to "A" closes the nonagon.

Article 2 -- The land area referred to in Article 1 shall be under the jurisdiction of the Armed Forces Joint Staff.

Single paragraph -- The Federal Property Service shall issue a document handing over the land area referred to in this Article to the Armed Forces Joint Staff.

Article 3 -- The existing military facilities in "Gleba Cachimbo" shall remain under Aeronautics Ministry management and jurisdiction and shall be used for air traffic control.

Article 4 -- Until the corresponding regulations are issued, the land area referred to in Article 2 shall remain under the Aeronautics Ministry jurisdiction.

Article 5 -- The Armed Forces Joint Staff shall take the necessary action to comply with the terms of this decree.

Article 6 -- This decree shall come into force on the day of its publication. All resolutions opposing the terms of this decree are hereby repealed.

Brasilia, 7 March 1979, 158th year of independent life, 91st year of the Republic.

Ernesto Geisel, Geraldo Azevedo Henning, Fernando Bethlem, J. Araripe Macedo, Jose Maria de Andrada Serpa.

INFORMATICS DELEGATION LEAVES FOR PARIS TALKS

PY111720 Rio de Janeiro O GLOBO in Portuguese 9 Aug 86 p 19

[Text] Sao Paulo -- The Brazilian Government will examine all foreign cooperation projects in the field of informatics, and it will allow assiciations and direct investments if the projects are of great technical complexity and unattainable by national industry at its present stage of development. This will be one of the main explanations that the Brazilian delegation will give the U.S. representatives at the second round of negotiations over the Informatics Market Reserve Law, that are to be held in Paris on 11- 12 August.

This information was released yesterday by the secretary general of the Science and Technology Ministry, Luciano Coutinho, who recalled that the Special Secretariat of Informatics (SEI) receives many informatics projects from foreign companies and that Article 22 of the Reserve Law allows their approval if the technological development conditions are met.

In Brasilia, the Brazilian delegation headed by Itamaraty Secretary General Paulo Tarso Flecha de Lima is leaving today for Paris to participate in the second meeting on the Reserve Law with representatives of the U.S. Government. This time the talks will deal with a document that the U.S. delegation will present that lists 26 reservations pertaining to the Informatics Law,

BRIEFS

PETROBRAS PROFIT FIGURES -- On 4 August, Petrobras announced a net profit of 15,276,000,000 cruzados for the first half of 1986. From this 1.61 billion cruzados will be paid in dividends to stockholders. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Aug 86 p 1 PY]

HUGE ARMS CACHE FOUND; USSR IMPLICATED

PY111839 Santiago Domestic Service in Spanish 1700 GMT 11 Aug 86

[Report by Mobile Unit No 5]

[Text] National Intelligence Center [CNI] personnel have seized a large shipment of weapons sent to Chilean terrorists. The huge arsenal, which was found in the 3d Region, includes hundreds of automatic arms, thousands of cartridges, grenades, and sophisticated communications equipment. The shipment was brought to this remote spot on the Chilean coast near Vallenar by Soviet fishing boats. Three individuals reportedly have been arrested in the area.

In view of the implications of the action, the entire arsenal was brought to Santiago, where it was inspected by President Augusto Pinochet, who wanted to learn the details of the operation. The president was accompanied by CNI Director General Humberto Gordon, the interior minister, and the minster secretary general of government.

It was reported that the arsenal was found in a small bay 90 km from Vallenar, where the terrorists had built a complete infrastructure camp, with a clinic, storage facilities, and an airstrip. Vehicles were also found in the camp, which was disguised as a fishing industry installation.

After learning about the discovery of the arsenal, the largest ever found in our country, President Pinochet told reporters that the entire capital could be blown up with the weapons. He added that this proves that terrorism does exist and that it is not a government fabrication.

Fighting With Guerrilla Group

PY111847 Paris AFP in Spanish 1808 GMT 11 Aug 86

[Excerpt] Santiago, 11 Aug (AFP) -- Reliable sources today reported in Santiago that the Chilean military forces confronted a guerrilla group in the northern region of the country and that they have seized a fairly large arsenal.

The confrontation, in which apparently there were casualties, took place early on the morning of 7 August in the area of Carrizal Bajo, in the neighborhood of the port of Huasco, 770 km north of this capital, where the military discovered the largest cache of contraband weapons since General Augusto Pinochet's government assumed power. [passage omitted]

6 Terrorists Arrested

PY120247 Santiago Domestic Service in Spanish 2300 GMT 11 Aug 86

[Excerpts] The government has reported that a plan calling for extremely violent actions and scheduled by terrorists for September was spoiled when a large arms cache was discovered on the beach near El Ballenar. This demonstrates how leftist terrorists planned to unleash a wave of violent actions next month.

The gigantic cache, the largest found since 1973, was found in the 3D Region, on an inaccesible beach where Soviet fishing ships approached the Chilean coast, violating territorial waters, and unloaded tons of weapons which were received by Chilean terrorists.

The following weapons were found: 210,000 cartridges, 348 rockets, [preceding word in English] more than 600 missiles, hundreds of grenades, and sophisticated communication equipment. [passage omitted]

A field hospital, communication equipment capable of satellite links, and underwater exploration equipment were also found, among other things. The cache was found in Corral Bay, near El Carrizal Bajo, 90 km northeast of El Ballenar in the 3d Region. From there the Soviet fishing ships unloaded the weapons which were later distributed among Manuel Rodriguez Patriotic Front [FPMR] terrorists.

In order to cover up their operations, the communist leaders who planned it created a legal company as a cover. The front was a fishing and seaweed processing company. In this manner, they bought seaweed from local fishermen for a good price and transported their weapons in trucks, covering their cargo with the seaweed, making it look like a normal transaction.

It is known that the Soviet ships unloaded their weapons in motorized inflatable dinghies. Scuba divers then hid the weapons in specially-built underground areas. The weapons were later distributed through the country, frequently by air, since the terrorists built a small airstrip nearby.

The CNI reported that together with this large cache, six members of the FPMR were also arrested. One of them was identified as Alfredo Bruno (Maldridge) Baldra. He was the link between the FPMR national logistics chief and the terrorists who received the weapons from abroad. (Maldridge) Baltra was the highest-ranking terrorist of the group, since he was the one who selected this inlet for this purpose.

Another of the arrested terrorists was identified as Rafael Pascual Arias, who for 13 years lived in Cuba, where he received guerrilla training. The other terrorists are: Italo Marcelo Abelardo Moyas Canilla, who has a long police record of bakery and supermarket robberies, and who received guerrilla instruction in Cuba last year and this year; Juan de Dios Marquez Miranda, whose record is similar to the other terrorists, receiving subversive training in Cuba; Pablo Esteban Flores Castillo, who participated in some violent attacks south of Santiago, after which he was sent to this operation in Carrizal Bajo; and Jorge Enrique Concha Gonzalez, who was in charge of maintaining the vehicles the group used in the region.

According to the official report, the following materiel was found in the CNI operations: 338 U.S. M-16 rifles, used in the Vietnam war, 37 Soviet-made hand grenades still packed in their original boxes, 315 Katiuska rocket launchers, 10,140 detonators, which are Soviet-manufactured, 600 meters of fuse, 1,872 kg of American and Soviet explosives, 210,000 rounds automatic rifle ammunition, 857 M-16 cartridges, 4,700 detonators, and 124 kg of plastic explosives. The long list includes other combat equipment.

Given this discovery and many facts that are part of this huge subversive plan, the Government Social Communications Agency [Dinacos], has made a statement. Dinacos Director Marcelo Venegas said that this CNI operation is the largest blow ever dealt to subversion.

[Begin Venegas recording] This action by the intelligence and security forces has been the most severe blow to the terrorists' clandestine supply of foreign-made weapons and equipment in the past 10 years. According to the information we have in hand, the quantity and quality of the weapons reveal that they were intended to strengthen the military infrastructure for a plan of violent actions scheduled to begin in September. The details of the plan, which are being studied, will be released to the public in due time.

The objective of promoting violence and chaos and instilling a strong feeling of fear in the people is part of the strategy of violence and terrorism that the Communist Party and its armed branches have conceived with Soviet Marxist help. [end recording]

He concluded by saying that it is important to emphasize the work done by the CNI and the valuable cooperation from the Armed Forces and Carabineros, who helped neutralize this violent threat. The CNI showed the huge arsenal to the president, the interior minister, and the minister secretary general of government, who also saw a film of the weapons and the area where the arsenal was seized. The film showed the weapons and the airstrip that could be used to send the weapons to other places in our country. After inspecting the arsenal, the journalists asked the president his opinion of the seizure.

[Begin recording] [Pinochet] This proves that I am telling the truth. These weapons are enough for a 600-man army, which for the guerrillas is equivalent to a (?20,000-man) division.

[Reporter] Is this the war to which you have referred on so many occasions...?

[Pinochet interrupting] I have said this on so many occasions! We are waging a war. There might not be a fire, but the war is there. And politicians continue to talk...

[Reporter] Mr President, the use of this arsenal would have certainly claimed many innocent lives...

[Pinochet interrupting] Many, many [words indistinct] Here is a ton of [changes thought] ...the equipment is complete.

[Reporter] One thousand three hundred kg [words indistinct]?

[Unidentified speaker] One thousand three hundred kg.

[Pinochet] One thousand three hundred kg of TNT. This is enough to blow up 50 percent of Santiago.

[Unidentified speaker] This will be used for the peaceful protests [words indistinct]

[Pinochet] Of course, it is for the peaceful protests [words indistinct]. This is just the tip of the iceberg. There must be much more. When a network is discovered, one sees only the tip of the iceberg. There are other things beneath it.

[Reporter] Mr President, who is financing all this?

[Pinochet] You should draw your own conclusions. Russia, the countries behind the Iron Curtain, and the useful idiots who are on the side with which you are familiar. [end recording]

In conclusion, the president talked over the discovery with CNI Director General Humberto Gordon. Upon leaving, the president said that this fact shows the objectives of terrorism.

Ministry Issues Communique

PY120329 Santiago Radio Chilena in Spanish 2300 GMT 11 Aug 86

[Communique issued by the Ministry of the Secretary General of the Government; date not given]

[Text] Regarding the investigations that led to the discovery of an extraordinary cache of war materiel and explosives imported from abroad by international sponsors of communist violence and intended for terrorist groups here, the government declares:

First: This discovery once again demonstrates the existence of terrorist organizations which in this case have gathered a large amount of advanced and high quality materiel with the evident purpose of carrying out fights, murders, and hindering national activities.

Second: The objectives of all this materiel were meant to be applied against the whole Chilean community, its coexistence, and its destiny of progress and democracy. The will for death, disorder, and guerrilla confrontation, can only be understood within this context, since they would undoubtedly have affected all sectors of a society, which cherishes order, justice, and freedom.

Third: This intention to create an atmosphere of fear and intimidation should be categorically rejected by all Chileans, regardless of differences of opinion, for a future of national development, since terror and violence are foreign factors inconsistent with nationalistic feelings.

Fourth: The task undertaken by the CNI with help of the Armed Forces and forces of order deserves our recognition, because through their investigations they have prevented this deadly materiel from being used for its express purposes.

Fifth: Nothing will deter the government from its clear and resolute will to lead the country in peace toward a future of total development planned in keeping with the Constitution and the law. The government is likewise sure that the public will always understand the preventive meaning of the security measures it must adopt to dismantle attempts of aggression such as those mentioned. Therefore, the government will remain alert to preserve by all means the safety of institutional order, citizens, and private property.

MINISTRY ON REPORTS OF 'COVERT' U.S. OPERATION

PY112248 Paris AFP in Spanish 2220 GMT 11 Aug 86

[Text] Santiago, 11 Aug (AFP) -- The Foreign Minstry reported in Santiago today that General Augusto Pinochet's government today conveyed to the United States its displeasure over reports of a covert U.S. intelligence service operation in Chilean territory.

These reports surfaced 1 week ago when the U.S. news media revealed an official U.S. investigation into a plan launched in Chile to intercept Chilean Armed Forces communications. The official communique of the Chilean Government explained that the Chilean Government conveyed its displeasure through the acting foreign minister, General Sergio Covarrubias, to the U.S. ambassador in Santiago, Harry Barnes.

ARMY ISSUES COMMUNIQUE ON DESERTER DRAFTEES

PY081327 Santiago Domestic Service in Spanish 1100 GMT 8 Aug 86

[Text] In an official communique, the Chilean Army has set things right by clarifying events involving recruits who deserted. These events reported by news agencies abroad beginning in the early morning hours of 7 August. Regarding various reports about the desertion of two Army soldiers disseminated by various news agencies, the Army Public Relations Department has issued the following public statement. Here is the text:

Concerning cable reports released yesterday that [words indistinct], the Army Public Relations and Information Department reports the following:

1) Conscript soldiers Manuel Vladimir Olivares Morales and Miguel Angel Melendez Baez, who were performing their military service at the Buin Regiment and at the Infantry School, took leave on 31 July and 1 August, respectively. They have not returned to their barracks. Thus, they have missed roll calls.

2) In keeping with the previous point, these facts have been reported to the military courts so they can take the appropriate legal actions for the crime of desertion.

3) Concerning the arms presumably possessed by them, as reported by the UPI news agency on 7 August, they do not belong to the above-mentioned military units.

[Signed] Army Public Relations and Information Department

MIR'S ANDRES PASCAL ALLENDE RETURNS SECRETLY

PY080122 Paris AFP in Spanish 2202 GMT 8 Aug 86

[Text] Santiago, 8 Aug (AFP) -- Andres Pascal Allende, leader of the outlawed Movement of the Revolutionary Left (MIR), has entered the country clandestinely and granted a press conference in downtown Santiago, calling for a popular uprising against the government of General Augusto Pinochet.

Andres Pascal Allende, nephew of the late socialist President Salvador Allende and one of the most wanted men by the security services of the military regime, accused the United States of encouraging the restoration of democracy in Chile, just to protect its own interests.

The U.S. Government of President Ronald Reagan is advocating an agreement for the orderly transition to a regime that will faithfully respond to imperialist interests, the MIR Secretary General affirmed.

Andres Pascal Allende thus evaluated the declarations made by the U.S. Department of State in support of a peaceful transition to democracy in Chile, to avoid the risk of greater social polarization under the incumbent regime. This was recently said by State Department spokesmen in Washington.

The MIR leader, who left Chile 3 years after the military coup against Salvador Allende in 1973, said that the development of the people's military capability is fundamental to putting an end to the dictatorship. Acting on this premise, he added, the MIR will accept the formation of an emergency government to take over the country, but will reject the idea of a social pact to ensure the stability of the future democracy, because that would be like extending a blank check to the dominant classes.

In mid-1979, Andres Pascal Allende returned to Chile from exile in Cuba, dodging the security services, which almost captured him in August of that year during a confrontation in the mountainous area of Arrayan, in the outskirts of Santiago.

His statement to the press was made known today, but it was made Tuesday, 5 August in a building located in downtown Santiago, where he was in the company of Hernan Aguilo, a workers leader and MIR's Number 2 man, who has been underground for the past 13 years.

I have been coming in and going out of the country, said Andres Pascal Allende, 42, who is one of the few surviving founders of MIR, which was created in 1965 by University of Concepcion students, prompted by the then new winds blowing through Latin America after the Cuban revolution, and under the influence of the legendary personality of Che Guevara. Other MIR founders, such as Miguel Enriquez, Edgardo Enriquez, Bautista Von Schouwen, and Augusto Carmona, were killed in confrontations with government agents or disappeared.

The MIR secretary general admitted that his movement maintains contact with the FPMR [Manuel Rodriguez Patriotic Front], which for the past 3 years has claimed responsibility for many acts of sabotage and dynamite attacks, as part of its strategy of insurrection against the Pinochet government.

In statements made in Havana exactly one year ago, the MIR leader announced that the holy war of the people against the dictatorship had begun. In an interview published in EL MERCURIO on 9 August 1985 Andres Pascal Allende said that we would like freedom to be recovered at the smallest possible cost and sacrifice.

GOVERNMENT TAKES MEASURES AGAINST PERUVIAN SHIPPING

PY081814 Madrid EFE in Spanish 0043 GMT 8 Aug 86

[Text] Santiago, 7 Aug (EFE) -- The Official Gazette reported today that the Chilean Government today ordered that Peruvian ships be given no freight to carry between Chilean and U.S. ports. Sergio Nunez, manager of the National Shipowners Association of Chile, said that this measure is a reaction to a similar measure by Peru on 20 February, which affects Chilean ships carrying freight to and from the United States.

"We hope that with this Chilean measure, the Peruvian authorities will react favorably and reach an agreement that will be advantageous to our two merchant marines," he stated.

Nunez added that Chile favors free access to international freight, but added that the Chilean law on this matter also invokes the principle of reciprocity. According to that principle, he concluded, "Chile will take restrictive measures against ships of those countries that adopt measures against ours."

COMPANY LOCATES BODY OF U.S. EXECUTIVE

PA111938 Madrid EFE in Spanish 1836 GMT 11 Aug 86

[Text] Bogota, 11 Aug (EFE) -- U.S. Engineer Edward Sohl, who, together with another U.S. executive was kidnapped 7 months ago in the Colombian Department of Norte de Santander, was found dead in a mountainous area in the country's northeastern region, it was reported today.

Bogota's daily EL ESPECTADOR reported that Sohl, 63, an executive of the "Bechtel Overseas" firm died from a heart attack on 16 May. [date as received] His body was found in the past few hours after kidnappers revealed where he was buried.

Edward Sohl and John Grieddes, both of whom worked for "Bechtel" were kidnapped in December of last year by guerrillas of the Maoist Popular Liberation Army, EPL, while they were at an oil field in Oru (Norte de Santander), 400 km northeast of Bogota.

The report added that Sohl died due to the high temperatures in that oil sector. Grieddes was freed by the guerrillas, although the EPL continued demanding money from the company as a ransom.

Grieddes' arrival at the "Bechtel" headquarters, which is currently conducting works at the Cano Limon (Arauca) oil sector, near the Venezuelan border, stunned the company directors, who had been lead by the EPL to believe that the two executives were "alive and in good health."

Sohl was an expert in hydroelectrical and mechanical installations. The recovery of his corpse was possible through contacts between the Bechtel company and the guerrillas. It is said that his body was preserved for several days [as received] inside a special plastic bag. The Bechtel company has not officially confirmed the report or the possible forwarding of Sohl's remains to his relatives in the United States.

GUERRILLAS ATTACK IN FOUR DEPARTMENTS

PA090116 Bogota EL SIGLO in Spanish 5 Aug 86 pp 1, 2

[Excerpts] Six guerrillas, four citizens, including a lawyer, and a soldier died yesterday as a result of new clashes between subversive columns and members of the Army and of the National Police in Antioquia, Huila, Cundinamarca, and Norte de Santander.

Authorized spokesmen of the Defense Ministry and of the National Army command reported that the wave of violence began at the Police Station in San Pedro de Caparrapi, located in the municipality of Caparrapi, Cundinamarca.

Caparrapi's Mayor Guillermo Leon Ordonez said that a rebel column, apparently from the FARC, tried to occupy the Police Station, but the attack was repelled by the townspeople. [passage omitted]

The same spokesmen reported that in Antioquia Department, rebel columns, apparently from the National Guerrilla Coordinating Board (CNG) ambushed Army and Police patrols in the municipalities of Argelia and Anori. [passage omitted]

The official spokesmen added that with this wave of violence, there were clashes between a column supposedly made up of FARC guerrillas and a patrol of the 9th Brigade. Two unidentified rebels died in this incident. [passage omitted]

Meanwhile, military and police sources reported that in Cucuta, Norte de Santander, lawyer Luis Francisco Carbonell Secerra was killed by presumed members of the Diego Escobar Uribe regional front of the Castroite National Liberation Army (ELN) for unknown reasons. [passage omitted]

M-19 Planned Action in Cali

PA102142 Bogota Cadena Radial Super in Spanish 1730 GMT 10 Aug 86

[Text] A few hours ago, intelligence groups seized weapons, ammunition, M-19 propaganda, and maps of the city of Cali and police precincts in a chic sector in the capital city of El Valle del Cauca Department.

A military spokesman confirmed to "Supernews" that the (?cache) was located following the arrest of five M-19 members. Members of that group had apparently abandoned it days ago in the wake of the theft of 85 cases of dynamite. The Army later recovered the dynamite.

Studies of the maps indicated that on the occasion of the 450th founding of the city of Cali, the guerrillas were seeking to perpetrate a number of actions and attacks against police precincts. Meanwhile, operations are continuing in various sectors to locate other centers of operations of the subversive movement which has recently (?perpetrated) actions in this city.

Guerrillas Occupy Village

PA101932 Bogota Cadena Radial Super in Spanish 1730 GMT 10 Aug 86

[Excerpt] Medellin -- For more than an hour today a large column of the National Guerrilla Coordinating Board occupied the village of San Pedro de los Milagros, north of the city of Medellin, and clashed with police units after cutting electrical and telephone services.

According to preliminary reports, at about 1000 a group bearing firearms and dressed in Colombian military uniforms stormed into San Pedro, where group members immediately cut telephone and power lines.

Members of this subversive movement attacked the police station; it is not known whether there were any dead or injured.

Troops belonging to the Army's 4th Infantry Brigade were flown to San Pedro to reinforce the police. [passage omitted]

OFFICIAL RULES OUT RISE IN OIL PRICES

PA080410 Quito Radio Quito in Spanish 2300 GMT 7 Aug 86

[Text] Energy and Mines Minister Javier Espinosa Teran explained the results of the latest OPEC meeting during a news conference. The minister said the recent agreement reached by the OPEC representatives, although temporary, opens the door to final discussions on the distribution of quotas by OPEC members. He said that by October the price per barrel could be set at approximately $17. However, he said the recent price recovery does not reflect the true situation in the market because there is still an oversupply. It is worth noting that during his news conference, Minister Espinosa Teran ruled out the possibility of increasing oil prices.

[Begin recording] [Espinosa] (?OPEC) has still not worked out all matters. Each country will send a delegate, rather an expert, to Vienna for 60 days. The purpose is for them to decide or analyze the information coming from each country. The countries are to submit weekly reports to OPEC, first about their exports and then about their levels of domestic consumption. This information will be analyzed and compared with reports from organizations that do this sort of work all over the world, [words indistinct]. It is worth noting that OPEC will be particularly careful to properly follow up on this.

[Reporter] [Question indistinct]

[Espinosa] Well, as happens with any commodity market, it is basically speculative. For that reason, the price rose drastically by $5 in the first 2 days, but this does not reflect the market situation. We still have an oversupply. Based on an unofficial agreement by the countries, the supply [words indistinct] will not rise above the current levels. [end recording]

STATION CLOSED FOR 'SLANDER' AGAINST PRESIDENT

PA101843 Quito Voz de los Andes in Spanish 1230 GMT 10 Aug 86

[Text] It has been reported from Guayaquil that on the orders of the National Secretariat for Public Information, Guayaquil's Radio Atalaya was temporarily closed at 1200 yesterday and legal proceedings initiated against journalist Hugo Fernandez Calle, under the charge of grave slander against the head of state. The charge is due to the dissemination of false reports that go against national security and that threaten public order, as a result of the broadcast of the entire statement sent from Panama by Abdala Bucaram Ortiz, director of the Ecuadoran Roldocist Party. In his statement, Bucaram Ortiz harshly criticized the government, particularly the head of state.

Accroding to the reports, policemen entered the Radio Atalaya studios Friday night but were unable to find Fernandez Calle. They are conducting a vast operation to find and arrest him so he may be tried and sentenced to prison.

RADIO SAYS OPPOSITION DISTORTS GELBARD'S MESSAGE

PY081830 Asuncion Domestic Service in Spanish 0030 GMT 8 Aug 86

["Voz del Coloradismo" commentary]

[Text] One of the evils of cheap politicking is the self-serving interpretation of facts. This is an expedient that the opposition, particularly the illegal opposition, uses to discredit the Colorado government of President Alfredo Stroessner and to distort the national and international image of our leader. One case is sufficient to prove this assertion.

The recent visit of Mr Robert Gelbard, deputy assistant secretary of state for South America, was seized on by the anti-Colorados and anti-Stroessnerists, of course, as a chance to use words, statements and meetings with Mr Gelbard to their advantage. Unfortunately for these enemies of the fatherland, the results of Mr Gelbard's visit were, objectively, quite positive and clarified some questions that were being manipulated for subversive purposes. No one, no matter how fanatic he is, can deny these results because Mr Gelbard emphasized the good will of his government toward the policies of our government. He also made it clear at all times that his mission to our country was well-meaning, guided by a principle of respect for the rules of democratic life in our country under the government of President Stroessner. Moreover, he talked as a friend of this government, which for 31 years has adhered to a firm anticommunist position, like that of the U.S. Government and people.

Mr Gelbard said: If I say something that some people take as criticism, it is only because the United States is a friend and an ally of Paraguay. He also said the United States would like to see Paraguay remain free of the violence that characterizes other countries in the region. He added that the rights of nondemocratic groups that try to undermine democracy with unreasonable demands cannot be considered. These are categorical statements that implicitly recognize the validity and legitimacy of democracy in our country. As can be seen, these were not statements of protocol. On the contrary, these statements reflect the impression that the social, economic, and political reality of Paraguay made on an objective observer. Criticism can be made and differences may exist because situations are not the same, considering that the needs and potential of any two countries are not the same. Nevertheless, an important agreement exists on the principle of friendship. Mr Gelbard said that above anything else, Paraguay and the United States are friends and allies, more so because their governments and peoples are enemies of the violence implicit in communism, a doctrine that is opposed by both Paraguayans and Americans.

Gelbard himself said that everything depends on the country's nature and system and that communist parties prefer to act in darkness. He also affirmed complete agreement on the struggle for a society free from extremism, as well as support against the attacks of political opportunists. There are 100 years of history in the alliance and ties between Paraguay and the United States, Mr Gelbard pointed out. This means that, no matter how badly it sits with some people, once more it has been demonstrated that we are on the right path and that the reality of peace, progress, democracy, and stability that characterizes our fatherland is internationally recognized.

The minions of communism were frustrated because Mr. Gelbard's visit which they thought would help their disloyal purposes, turned out to be completely unfavorable to them. The high-ranking U.S. official endorsed the policies of President Stroessner's government with only some minor, understandable objections, considering, as we said before, that situations are different in different countries. In light of these considerations, we have strengthened our intransigent stand against communism and our determination to struggle tirelessly against the agents of discord and subversion, who are covertly trying to destroy the wonderful life that this government has given to our country. This government, which respects democracy and the law, has received the unquestionable support of the ballot boxes, which have placed the name of Alfredo Stroessner in the history of free nations of the continent.

MONTANARO EXPECTS 'CHANGE' BEFORE LAINO RETURNS

PY090227 Asuncion Cerro Cora Sistema Nacional Television in Spanish 0000 GMT 9 Aug 86

[Interview with Interior Minister Sabino Augusto Montanaro by reporter Miguel Angel Rodriguez following 8 August Cabinet meeting -- recorded]

[Text] [Rodriques] In the last few days, it has been said the government might adopt a different attitude on the return of Domingo Laino.

[Montanaro] Well, the government expects Laino to be the one to change his attitude. We expect Mr Laino ot stop lying, threatening, and talking in his usual fashion, like any other subversive -- which is what he is -- so his return to the country may be considered. We expect him to change his position and attitude regarding our country.

BRIEFS

EGYPTIAN AMBASSADOR PRESENTS CREDENTIALS -- Faruq Barakah presented his credentials as the new extraordinary and plenipotentiary ambassador of the Arab Republic of Egypt to Paraguay during a ceremony held at Government Palace on 4 August at 0900. [Excerpt] [Asuncion HOY in Spanish 5 Aug 86 p 11 PY]

AIR FORCE BOMBS DRUG TRAFFICKERS' INSTALLATIONS

PY111350 Lima America Television in Spanish 0400 GMT 10 Aug 86

[Text] Operation "Condor III" has started in the jungle area. This is another phase in the government's effort to eradicate drug trafficking. Interior Minister Abel Salinas has said that the main objectives of the operation are the Carapana I and II landing strips. This is the first time that combat planes are being used in operations of this nature.

[Begin recording] [Abel Salinas] The following is a communique issued by the Interior Ministry:

1. The government has today, 9 August, undertaken operation "Condor III." The objective of this operation is to destroy 12 landing strips, 4 of which are concrete, and to decommission cocaine processing factories.

2. Twelve Alfa 37 combat plane squadrons of the Peruvian Air Force carried out operations between 1200 and 1228 today. They used rockets, bombs, and machine-guns fire to destroy the installations and landing strips found in Carapana I and Carapana II.

The operation carried out by the Peruvian Air Force is continuing at present and it will continue for the next few hours against other objectives.

3. At the same time, airborne Civil Guard troops have occupied and confiscated installations in Tierra Amarilla.

4. The government hereby informs the people that the installations destroyed in this operation were occupied by the police in September 1985, but that in the last few months these installations were rebuilt and armed by drug traffickers who mainly come from neighboring countries.

5. Through "Condor III," the government reasserts the struggle that it has undertaken against drug trafficking, and it also confirms that it is continuing this struggle to eradicate drug consumption and to arrest and punish drug traffickers, thus terminating their corruptive influence on society and achieving the complete eradication of the illegal production of drugs and narcotics in Peru.

I must point out that this is the first time in history that combat planes have been used in the all-out war against drug trafficking.

[Reporter] Sir, could this government operation against drug trafficking be interpreted as a response to any U.S. Government plans to carry out operations with foreign troops in Peru, as happened in Bolivia?

[Abel Salinas] We are not responding to any government. But we do want to make perfectly clear that on this occasion, Peru is using its own means to combat drug trafficking, and that we will definitely not permit the involvement of foreign forces in the struggle against this scourge. [end recording]

BRIEFS

INDUSTRIAL GROWTH RATE -- Lima, 24 Jul (EFE) -- Peruvian Industry, Commerce, Tourism, and Integration Minister Manuel Romero has reported that the Peruvian industrial sector achieved a 14.2 percent growth rate during the first half of 1986 as compared to that of the first half of 1985. [Excerpt] [Madrid EFE in Spanish 0935 GMT 24 Jul 86 PY]

MARCHESANO SAYS EXTRADITIONS NOT CERTAIN

PY080143 Paris AFP in Spanish 004 GMT 7 Aug 86

[Text] Montevideo, 6 Aug (AFP) -- Uruguayan Interior Minister Antonio Marchesano said today that the extradition of four Uruguayan Army and Police officers, whose arrest was ordered this week by the Argentine courts, is not possible under Uruguayan laws.

The indictment of the officers, Jose Gavazzo, Manuel Cordero and Jorge Silveira (Army), and Hugo Campos Hermida (Police), was brought by Judge Nestor Blondi, who accused them of kidnapping and torturing Uruguayan journalist Enrique Rodriguez Larreta in Buenos Aires in 1976. When talking about the decision of the Argentine judge, Marchesano said he suspects that if the extraditiion is requested, the persons involved will use the Penal Code provisions which state that extradition shall not be granted in cases of political or related crimes. The minister said he does not know what evidence the Argentine courts might have and added that Blondi is acting under guidelines different from our own.

In his decision, the Argentine judge also ordered the arrest, as accomplices, of four other Uruguayan Army officers: General Amauri Prantl (deceased) and former Majors Ernesto Rama, Ricardo Medina, and Enrique Martinez.

BROAD FRONT OFFICE IN MALDONADO ATTACKED

PY081923 Paris AFP in Spanish 1429 GMT 8 Aug 86

[Text] Maldonado, Uruguay, 8 August (AFP) -- An incendiary attack took place last night against a branch office of the leftist coalition Broad Front in Maldonado, 130 km east of Montevideo. There were no victims in the attack, and no one has claimed responsibility for it. According to witnesses, the office was closed when the incident took place, and the attack did not cause much damage.

The Broad Front is the second political force in Montevideo and the third in the nation. It includes socialists, Communists, Christian democrats, and independents.

BRIEFS

WESTERN U.S. CONSUL DESIGNATED -- The Uruguayan Government has created the Uruguayan General Consulate in Los Angeles, California. The consulate will have jurisdiction over the western region of the United States. The government has also decided to modify the structure of the Uruguayan consular services in the United States. Based on this modification, the new consulate will have jurisdiction over the following states: Alaska, Arizona, California, Colorado, South and North Dakota, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, Oklahoma, Oregon, Utah, Washington, and Wyoming. Yamandu Laguarda has been designated to head the new general consulate. [Text] [Montevideo Radio Carve Spanish 1930 GMT 6 Aug 86 PY]

LUSINICHI DISCUSSES ACTIVITIES, MEETINGS IN BOGOTA

PA090303 Caracas Television Service in Spanish 1600 GMT 8 Aug 86

[Text] President Jaime Lusinichi will return tonight from Colombia, where he attended the inauguration of the new president. Before leaving Bogota, the president will attend several events. At this moment he is attending a luncheon given by Colombian President Virgilio Barco Vargas in honor of the heads of state and special guests who attended the inauguration.

Meanwhile, President Lusinchi has reiterated our country's wishes to achieve a solution to the problems faced by the Latin American countries by putting aside all individual interests and searching for real political and economic integration. President Lusinchi, together with the other heads of state of the continent, attended a special event held by the Latin American Parliament. At the event, President Lusinchi said that the institutionalization treaty presented to the heads of state and foreign ministers has the support of the Venezuelan Congress.

The President met with U.S. Vice President George Shultz [title as heard]. During the meeting they discussed usual matters. In statements to the press, Lusinchi denied that he had suggested a Latin American summit, because such a meeting must be very well organized.

[Begin Lusinchi recording] The presidents cannot meet to talk and make superfical decisions. A summit is a meeting of an important group of presidents -- like those of us who have come to Colombia to honor its democracy, President Barco, President Betancur, and the Colombian people. Metaphorically speaking, we could call this a summit, but not a real one, because preliminary talks were not held. [end recording]

President Lusinchi's agenda also included a meeting with Alfredo del Mazzo, Mexican mines, energy, and parastate industry secretary, who reiterated the ties of friendship between our country and Mexico. Del Mazzo said that during his meeting with Lusinchi they analyzed common problems, and he praised President Lusinchi for his excellent work in the search for a solution to the problems in Latin America. They also discussed matters related to the recent OPEC meeting and its consequences for Mexico and Venezuela.

[Begin Del Mazzo recording] President Lusinchi expressed his wishes to strengthen the dialogue and cooperation. We are certain that specific results can be achieved. As you already know, Mexico cooperates with OPEC through Venezuela. Our agreement with Venezuela has made Mexico's cooperation within OPEC much easier. There is much trust between Mexico and Venzuela, and interesting and specific results have come from this agreement. Even though it is a partial and temporary agreement, we have found that it has been useful for both Mexico and Venezuela, and I feel that the two countries are serious about fulfilling their commitments and are trying to suggest solid positions before the international community.

We have suggested serious positions aimed at an orderly management of oil matters. From Mexico's point of view, these are positions are favorable for both producer and consumer. [end recording]

SURINAME'S HERRENBERG ON LUSINCHI MEETING

PA111344 Madrid EFE in Spanish 0155 GMT 11 Aug 86

[By Marcel Roo]

[Text] Caracas, 10 Aug (EFE) -- Surinamese Foreign Minister Hendrik Herrenberg said in Caracas that Venezuela will play a very important role in the Latin American integration process.

Herrenberg stopped in Caracas on his way home from Bogota, where he attended the inauguration of Colombian President Virgilio Barco. He discussed his brief stay in Caracas with EFE, as well as his trip to Bogota, which he viewed as a further demonstration of Suriname's interest in political integration in the Latin American Continent.

Herrenberg said that many activities toward political integration have been carried out, but the problem is that Latin America does not understand Suriname's isolation. He stressed that his country wants to integrate fully with Latin America and cooperate with the region's development. He pointed to Surinamese revolutionary leader Commander Desi Bouterese's trips to Brazil and Colombia as part of this effort.

Herrenberg said that in Bogota he met with Venezuelan President Jaime Lusinchi and Foreign Minister Simon Alberto Consalvi. He said Lusinchi's philosophy is similar to that of the Surinamese revolutionary leaders and predicted that "Caracas will play a very important role in the integration process."

Herrenberg also expressed admiration for Lusinchi's knowledge of the development processes in Suriname, Aruba, Curacao, and the Netherlands Antilles and of these countries' efforts to secure a place on the continent.

Regarding bilateral relations, Herrenberg said he agrees with Lusinchi that these relations should be very serious so that "we can learn from each other." He said that during his talks with Lusinchi he invited Foreign Minister Consalvi to visit Suriname within the next few months. The invitation was also extended to Francois Moanack, Venezuelan ambassador to the Caribbean, and, "of course, to President Lusinchi."

Referring to internal politics, Herrenberg said that after 6 and 1/2 years of revolution, the military has, "for the first time in history," initiated a period of transition with the support of the most important social sectors (trade unions, labor unions, businessmen, traditional politicians). He stressed that these sectors are forming a single political body (cabinet), which is responsible for preparing a constitution for a new democratic model, "according to our particular characteristics."

U.S. SHIP DETAINED FOR FISHING VIOLATION

FL091450 Mexico City NOTIMEX in Spanish 0312 GMT 9 Aug 86

[Text] Mexico City, 8 Aug (NOTIMEX) — The Mexican Navy has detained in domestic waters the U.S. vessel Hercules for capturing marine species in territorial waters without a permit, thus violating the country's fishing laws.

The Navy Secretariat reported that A-17 tugboat Otomi discovered the U.S. vessel in the exclusive economic zone with its nets in the water. An inspection of the vessel's hold revealed 350 kg of shrimp.

It was also reported that the five crewmembers, captain Francisco Hernandez Zonda among them, were taken to the port city of Tampico, Tamaulipas, and surrendered to the authorities.

The secretariat reported another operation conducted in Puerto Penasco, Sonora, where naval authorities seized 30 kg of shrimp and fishing gear and detained three people. They were released to the pertinent authorities.

USSR FOREIGN MINISTER PLANS OCTOBER VISIT

PA120408 Mexico City Red Nacional Imevision Television in Spanish 0300 GMT 12 Aug 86

[Text] The Mexican Embassy in Moscow announced that Soviet Foreign Minister Eduard Shevardnadze will visit Mexico during the first days of October. It will be first visit of a Soviet foreign minister to our country. During his visit, Shevardnadze will analyze bilateral relations and various world problems. According to the report, the Soviet foreign minister will visit Mexico and Canada after his official visit to Washington which is scheduled 10 to 20 September.

AGREEMENTS WITH INDIA ON ENERGY, CREDIT

FL111630 Mexico City NOTIMEX in Spanish 0040 GMT 10 Aug 86

[Excerpts] Mexico City, 9 Aug (NOTIMEX) -- Mexico and India have agreed to develop mechanisms to cooperate in energy matters and to establish lines of credit for increasing trade and cultural and educational exchanges.

The Foreign Secretariat noted that during talks held by India's Prime Minister Rajiv Ghandi and President Miguel de la Madrid, important agreements for the development of bilateral relations had been reached.

Gandhi and De la Madrid discussed specific areas in which ties could be strengthened, because of the special attention being given to them as well as the two governments' determined political will.

They agreed the energy sector offers the most favorable opportunity to increase cooperation in the medium term, based on the technology developed by the Mexican Petroleum Institute and India's Petroleum and Natural Gas Commission. [passage omitted]

During the talks reciprocal lines of credit were established between the Mexican Bank of Foreign Commerce and India's Eximbank amounting to $20 million each to support trade, once trading commodities are identified. There is a possibility the amounts will be increased to the degree the resources are used. [passage omitted]

WORLD BANK GRANTS LOANS WORTH $650 MILLION

PA091833 Mexico City XEW Television Network in Spanish 1300 GMT 9 Aug 86

[Text] The World Bank has granted Mexico two loans totalling $650 million. The first of the two credits is for $500 million; the document was signed in Washington by Alfredo Phillips Olmedo, director of the National Foreign Trade Bank. The $500 million will finance imports which the country may need, particularly products that are used to produce Mexican exports. This long-term loan is not tied to a specific project or the purchase of any previously agreed upon products; it is a general loan and available for quick disbursement.

The second loan covers the remaining $150 million. The document was signed by Dr Ernesto Marcos Yacaman, director of the National Finance Bank, Inc. Dr Marcos said that this is to be used to improve quality and to broaden the access to financial services of medium and large industries through the industrial supply fund, in addition to being used to support industries with financing difficulties.

OIL ACCORD DECLARATION SIGNED WITH VENEZUELA

PA101914 Mexico City EL DIA in Spanish 4 Aug 86 p 8

["Joint Declaration issued by the presidents of Mexico and Venezuela on the Renewal of the Program for Energy Cooperation With Central American and Caribbean countries;" date not given]

[Text] Miguel de la Madrid Hurtado and Jaime Lusinchi, the presidents of Mexico and Venezuela, respectively, bearing in mind the joint declaration issued in San Jose, Costa Rica, on 3 August 1980, and the subsequent annual declarations which renewed the program for energy cooperation with Central American and Caribbean countries, pointing out that the program's validity proves the excellent relations between the two countries, and the coordination that exists in matters related to energy, a coordination that was strengthened during the meeting of the two presidents in Cancun in January of the current year; considering that the international oil market is still characterized by instability and uncertainty, and that the drop in hydrocarbon prices harms the two countries' economic and financial situations;

Ratifying the two countries' political will to support cooperation measures to contribute to the region's economic and social development, such as the guarantee of the oil supply, and the granting of loans to finance regional trade;

Recognizing again the program's importance, as well as the need to harmonize its implementation with the needs of the beneficiaries and the legitimate interest of the grantors;

Ratifying the content of the joint declaration issued on 3 August 1985, Mexico and Venezuela declare that they will maintain in operation the program for energy cooperation for the 7th year, as of 3 August 1986, based on the following normative criteria:

1. The accord guarantees the supply of 130,000 barrels of oil per day, distributed in equal parts for each of the signatory countries, according to the net requirements of the beneficiary countries.

2. The equivalent of 20 percent of individual oil bills will finance the trade exchange of products and/or short-and long-term projects for economic development, depending on the characteristics of each operation.

3. Short-term loans will be granted for up to 5 years, at an eight percent annual interest rate, and long-term loans, for up to 12 years, at a six percent interest rate, preferably to finance goods and services coming from Mexico or Venezuela, as well as local expenses.

4. The supply will be subject to the fulfillment of the stipulations established by the grantor countries.

The presidents of Mexico and Venezuela issue this joint declaration simultaneously in Mexico City and Caracas on 3 August, 1986.

President of Mexico Miguel de la Madrid Hurtado

President of Venezuela Jaime Lusinchi

MARINES SEIZE PLANE, 233 KG OF COCAINE

PA091401 Mexico City EL NACIONAL in Spanish 6 Aug 86 p 6

[Text] On the morning of 5 August, Marines from the 14th Zone, headquartered in Manzanillo, Colima State, seized a light plane carrying 233 1-kg packages containing pure cocaine.

The amount is worth approximately 250 million pesos on the "black market."

The cocaine was aboard a Turbo Commander 690, license KBL-AP, which apparently came from the United States.

The light plane landed at the front end of one of the airport runways. This aroused the suspicion of surveillance personnel, who jumped into two jeeps and went to inspect it. Upon noticing the patrol, the plane's crew escaped in a nearby vehicle, which presumably belonged to accomplices of the drug traffickers.

This year Navy personnel have found and confiscated 14,838 kg of marijuana in the country's coastal area and maritime zone.

The report was made by the office of the chief of naval operations of the Mexican Navy. It was noted that Mexico's topographical characteristics make it easy to engage in activities connected with the smuggling of drugs, which explains why the islands, islets, cays, and reefs are heavily patrolled. Two search operations, named "Tapir" and "Tromba," are currently underway, Four bags of marijuana, which were apparently abandoned, have been found during these operations in the islands off the coast of Yucatan. Three of the bags contained 50 kg of marijuana each. They were found on the Blanca and Pajaros Islands. One was found on Desterrada Island. The drug was turned over to the pertinent authorities.

PARTY CLASHES SURROUND ELECTION RESULTS

PSUM Demands Annulment

PA082139 Mexico City UNOMASUNO in Spanish 4 Aug 86 p 4

[Excerpt] In its 17th plenum, the Central Committee of the PSUM [Unified Socialist Party of Mexico] agreed to demand the annulment of the elections held in Chihuahua and Durango on 6 July because it feels they were fraudulent.

The PSUM Central Committee felt that its representatives were prevented from reading the electoral lists, observing the process, and having access to the voting documents. Consequently, the PSUM leadership stressed that it will gather evidence to support these claims.

The Central Committee decided that the PSUM political leadership will issue a resolution stating that the recent elections showed that the right is progressing within the ruling party and also as an opposition force. In addition, this resolution will state that democracy took a step backward in view of the progress made by those who offer no alternatives to the country. [passage omitted]

PRI: PAN Plans Destabilization

PA102146 Mexico City XEW Television Network in Spanish 1600 GMT 10 Aug 86

[Text] The PRI has revealed in a news conference that members of the National Action Party [PAN] are trying to destabilize the current Mexican Government with foreign interventions. Dr Humberto Hernandez Haddad, PRI secretary of international relations and senator for Tabasco, has revealed that a group of neo-PAN members are in Washington establishing contacts and issuing statements so an external audit is made of Mexico's internal affairs.

Dr Hernandez Haddad said that the actions being carried out by the PAN in the United States are an unpleasant chapter of interventionism the Mexican people will properly identify and reject. He added that the PRI must now assume its role against this electoral opponent, which has taken the wrong road. He said that PAN has taken national sovereignty matters to an international level. Senator Hernandez Haddad added that the neo-PAN members' demands for a foreign intervention in Mexican politics are aimed at sabotaging the upcoming meeting between President Miguel de la Madrid and Ronald Reagan, which will be held in Washington next week.

7 Dead in PRI-PAN Clash

PA101956 Madrid EFE in Spanish 1800 GMT 10 Aug 86

[Excerpt] Mexico City, 10 Aug (EFE) -- The dissatisfaction generated from the elections held in July in the Mexican states of Chihuahua and Durango has resulted in 7 dead and 38 slightly injured during a confrontation last night between members of the PRI and the PAN.

The Mexico City paper LA JORNADA reported today that 17-year old Leonel Carrillo Ruteaga died in Durango City after having been shot in the chest.

According to press reports, the clash between PRI and PAN members took place late Saturday, when members of the electoral college prevented PAN members from entering a locale where a public meeting was being held.

Durango police reported this morning that the city is now calm and that investigations are underway to find those responsible for the violent actions. [passage omitted]

PAN Protests Violations

PA081816 Mexico City THE NEWS in English 6 Aug 86 p 4

[By Peter Kultenbrouwer]

[Excerpt] The National Action Party (PAN) announced Tuesday it is withdrawing from government-initiated public forums on electoral reform in protest of what it said were gross violations of electoral law in last month's elections in Chihuahua and Durango.

In a letter dated Tuesday to Secretary of the Interior Manuel Bartlett Diaz, PAN National President Pablo Emilio Madero wrote, "We consider it improper to continue participating in a government process supposedly seeking an ideal system of political representation, when in all areas where there were elections (the government) operated in the opposite sense."

A panel including Bartlett Diaz heard from the Mexican Unified Socialist Party (PSUM) during hearings on electoral reform in Mexico City Tuesday night. The hearings are scheduled to continue until at least Aug. 22.

Thursday panel members will hear testimony on electoral reform in the Federal District. The hearings move to Monterrey Saturday.

The PAN also announced it would not attend President Miguel de la Madrid's State of the Nation address on Sept. 1. PAN Dep. Jesus Gonzalez Schmall said the party would boycott the speech because "the president does not have time to receive us, which shows that he is not interested in listening to other participants in the political process and only pays attention to what PRI members tell him."

In addition, the PAN produced documents Tuesday to support its claims that ballot boxes were stuffed and electoral rules were violated in order to guarantee victory for the PRI in all elections in Chihuahua.

The PAN produced copies of the poll registration form for station 86-B in the center of Ciudad Juarez, which indicated 3,115 ballots for municipal, congressional, and gubernatorial elections were delivered to the station before the voting began. But the party produced a copy of the official tally form for the station, which shows the PRI receiving 6,985 votes and puts the total of all votes, including invalidated ballots, at 11,691.

The PAN says the document proves the ballot box was stuffed. The PAN also offered a computerized list of alleged violations in three Chihuahua electoral districts: three, eight and 11.

According to the tally, there were a total of 19,749 violations of electoral regulations. The document, which provides a party description of the regulations, specifices which rules were violated in each district. According to the list, in the state chamber of deputy elections in district eight, officers refused to provide PAN members with an official tally form in 23 polling stations, although providing the forms is required by article 556 of the electoral code.

In elections for governor in district 11, according to the printout, nine polling stations had more ballots in the boxes than the number of voters, "showing evidence of ballots stuffing," according to a PAN statement. [passage omitted]

PRI Claims Victory in Oaxaca

PA081729 Mexico City THE NEWS in English 4 Aug 86 p 4

[Excerpt] The ruling PRI proclaimed itself the overwhelming victor Sunday night in the elections held in the state of Oaxaca.

While official results are not expected for a week, general delegate to the PRI National Executive Committee, Federal Deputy Ernesto Luque Feregrino, said his party had "swept" the elections. No major incidents of violence were reported but officials from the leftist Confederation of Workers Peasants and Students of the Isthmus (COCEI) cited isolated incidents of fraud.

COCEI local deputy, Desiderio de Gives, said supporters of the coalition in several cities faced long delays in receiving their voting credentials. Voters went to the polls Sunday to elect a governor and over 450 mayors. The PRI has never lost a gubernatorial election in its 57-year history.

Oaxaca is the only one of Mexico's 31 states where the PSUM has the strength to rival the PRI. The PSUM won several mayorships in 1981 thanks to a united front with the COCEI. This year, the Mexican Workers Party and the Revolutionary Workers Party are also backing Eloi Vasquez, the leftist coalition's gubernatorial candidate. [passage omitted]

PRI Wins in Campeche

PA091559 Mexico City EL NACIONAL in Spanish 6 Aug 86 p 2

[By Roberto Esquivel]

[Excerpt] Campeche, 5 Aug -- The final report on the past election of deputies shows that the PAN, Popular Socialist Party [PPS], and Workers Socialist Party [PST] won 5 percent of the votes.

The electoral college confirmed the victory of the PRI candidates by a relative majority.

The PAN will be represented in the State Congress by Pedro Euan Xool and by Santiago Rodriguez as his alternate.

The PST will be represented by Wilberto Nobelo Chi and by Celio Salazar as his alternate.

The PPS will be represented by Jacobo Castellanos Ruiz and by Jose Antonio Gonzalez Camacho as his alternate. [passage omitted]

PAN Disrupts Dailies

PA091623 Mexico City EL NACIONAL in Spanish 6 Aug 86 p 2

[Excerpt] Durango, Durango, 5 August -- A group of approximately 60 PAN members prevented the circulation of the morning newspaper EL SOL DE DURANGO.

This blockade is in addition to those carried out in the offices of the Finance and Public Credit Secretariat and the State Tax Revenue Office, as well as in the district offices of the Agriculture and water Resources Secretariat in Santiago Papasquiaro, Durango.

The PAN members prevented the publication of today's issue and prevented the workers from leaving the EL SOL DE DURANGO offices.

It was not until noon that the employees were released after publisher Antonio Diaz Pina held talks with PAN leaders. It must also be mentioned that this action prevented the circulation of NORTE, another newspaper printed there. PAN members, urged by their leaders, decided to halt the circulation of the daily because it was going to report the gubernatorial victory of PRI candidate Jose Ramirez Gamero.

The PAN denied all this information to EL NACIONAL, and every reporter who tried to approach a party representative was subjected to a long interrogation.

The PRI state leaders vigorously condemned this vandalism.

Augustin Ruiz Soto, president of the party's CFE [not further identified], deplored the fact that a small group could disrupt the social order and peace for which Durango is known. [passage omitted]

Sinaloa Governor on Elections

FL112254 Mexico City NOTIMEX in Spanish 2213 GMT 11 Aug 86

[Excerpt] Chihuahua, Mexico, 11 Aug (NOTIMEX) -- Transparent ballot boxes will be used in the northwestern Mexican state of Sinaloa in the next elections to guarantee democracy and put an end to arguments used by the oppositions, noted Sinaloa Governor Antonio Toledo Corro in a press conference granted in Chihuahua.

He said that the 6 October elections will be honest and the results honored. Democracy exists and it will be put into practice in Sinaloa, Toledo Corro said. After saying that the opposition is not well organized in his state, he indicated the majority of the citizens are faithful to the PRI. [passage omitted]

BRIEFS

HONDURAN AMBASSADOR ARRIVES -- New Honduran ambassador to Mexico Ayax Zunia has said Honduras does not wish to create warlike conflicts with any of its neighbors and always promotes peace in Central America. Upon arriving in Mexico to present his credentials to President de la Madrid, he said relations between Honduras and Nicaragua are good because the democratic government of Honduras follows a policy of brotherhood with all the countries of the region. [Excerpt] [Mexico City NOTIMEX in Spanish 0014 GMT 9 Aug 86 FL]

CHIHUAHUA GOVERNOR -- The Chihuahua Electoral College has officially declared PRI candidate Fernando Baeza Melendez the constitutional governor of Chihuahua State. [Summary] [Mexico City XEW Television Network in Spanish 1300 GMT 9 Aug 86 PA]

COCAINE CONFISCATION -- Federal antinarcotics agents have confiscated 178.9 kg of pure cocaine in Gueretaro. Two individuals were arrested. In the first 7 months of this year, 3 and 1/2 tons of pure cocaine were confiscated. [Summary] [Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 14 Jul 86 PA]

RECORD AMOUNT OF MARIJUANA SEIZED -- Navy officials Tuesday seized a record 66 tons of marijuana at different locations in the Gulf of Mexico, Navy officials said. They said the Navy has confiscated 33 tons of marijuana and arrested 16 drug dealers in the southeastern state of Yucatan. They said that in neighboring Guintana Roo State, Navy officials stopped three station wagons found to be carrying another 12 tons of marijuana. A fishing vessel detained by a Navy patrol 40 miles east of Guintana Roo was carrying 21 tons of the drug, officials added. Alberto and Ramiro Flores, Gilberto Ventura, Manuel Navarro and Antonio Viviano, apparently Colombian nationals were arrested. [Text] [Mexico City THE NEWS in English 6 Aug 86 p 6 PA]

DELVALLE REAFFIRMS FRIENDSHIP WITH TAIWAN

PA120003 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Aug 86 p 1-A

[Note from President Eric Arturo Delvalle to President of Taiwan Chiang Ching-kuo, issued in Panama City: date not given]

[Text] Your Excellency Chiang Ching-kuo

President of the Republic of China

Taipei, Taiwan

Mr President:

I hereby wish to express my most heartfelt greetings and wish to reiterate that the excellent relations of friendship and cooperation existing between the Republic of Panama and the Republic of China remain unalterable and continue to be strengthened even more with the sincere efforts of our two brother peoples.

I take this opportunity to assure you that any other expression or statement contrary to the aforementioned here represents the personal opinion of those who have issued it; they do not represent the opinion of the government I am proud to lead.

I am pleased to renew my best wishes for our friendship and for the happiness and prosperity of the great Chinese people and the success of your government,

Eric Arturo Delvalle

President of the Republic of Panama

GOVERNMENT TO SELL NONPROFITABLE BUSINESSES

PA092146 Panama City LA REPUBLICA in Spanish 8 Aug 86 p 4

[Editorial: "The Sale of State Properties"]

[Text] The commitments that the government made to the international banks in the refinancing of the debt included the sale of state enterprises that were causing great losses to the treasury because they were not self-financing and thus, were a burden on the national budget because the state had to subsidize them.

At a cabinet session held on Thursday, the executive branch decided to get rid of some of them so that the state would stop losing the millions it has been losing every year.

The sales approved so far are the following; the Las Cabras Sugar Mill for $3.1 million, the Contadora Island Hotel and its facilities for $6.5 million, Aeroperlas, incorporated for $1.6 million, and the extra tanks [tanques] of La Victoria Sugar Mill that were to be used by Las Cabras Sugar Mill for $120,000.

It was reported that the sale of Aeroperlas also included the building, the ramp, and the parking lot for $400,000, and farm machinery of Endema [National Farm Machinery Enterprise] for $1.3 million to Efvemaq, Incorporated. [sentence as published]

The sale of these enterprises will result in savings for the treasury because, in addition to receiving the proceeds from their sale, the large losses they incurred will be eliminated.

It is also estimated that these operations will serve to meet the government's bank obligations.

In addition, the National Bank will sell the Panama Hotel through a public auction.

These are the first sales of enterprises ordered by President Delvalle after a detailed study on their liquidity, the losses incurred so far, and the possibility for an economic recovery.

PDC LEADER CRITICIZES GOVERNMENT-SPONSORED RALLY

PA120309 Panama City ACAN in Spanish 2249 GMT 11 Aug 86

[Excerpts] Panama City, 11 Aug (ACAN-EFE) -- The opposition Christian Democratic Party [PDC] today criticized the march to be held by government sectors tomorrow because, "using an alleged Nationalist reassertion as a pretext," public employees will be forced to rally "under threat of dismissal."

PDC President Ricardo Arias Calderon said that the ruling coalition National Democratic Union will participate because "it is subordinated to the interests of the military high command, which ordered the event to be held." [passage omitted]

In a communique released today, the PDC added that "the intention is to celebrate the third anniversary of General Noriega's inauguration as commander in chief [of Panama's Defense Forces] using an alleged nationalist reassertion as a pretext." [passage omitted]

"The intention is to confuse the fate of our nation, its independence, sovereignty with the ambition for power of a single man," Arias Calderon added.

LIMA TV INTERVIEWS NORIEGA ON PIA VESTA CARGO

PY100204 Lima Latinoamericana Television in Spanish 0230 GMT 9 Aug 86

[From the "Frente a Frente" program presented by journalist Alfonso Baella Tuesta with quotes from an interview with Gen Manuel Antonio Noriega, Panamanian Defense Forces commander; date and place not given -- recorded]

[Excerpts] [Baella Tuesta] "Frente a Frente" went to Panama to look for the Pia Vesta. No one knew or wanted to tell us where this ghost ship was. "We flew over Panama in a helicopter looking for our objective. [passage omitted] Suddenly our pilot pointed, the Pia Vesta was there. It was being watched by a Panamanian ship and hidden from the public, silent and without any movement.

We found the Pia Vesta and then looked for General Noriega, commander of the Panamanian Defense Forces, who captured the Pia Vesta and ordered the confiscation of the weapons and vehicles it was transporting. What can he tell us about this case?

[Noriega] Right. The Pia Vesta passed, what we call in transit through the Panama Canal. This means a ship does not stop over. It goes through fast, without on-loading or off-loading any cargo here. Then it traveled toward Peru.

Once near the Peruvian coast, government intelligence or communications services reported to us of the presence of a ship which had remained for many hours without coming alongside and which was turning around and returning, presumably to Panama, which was its transit route.

We proceeded to board it on the high seas, and at that time found the large Soviet-made weapons cargo it was transporting. There were rocket launchers, assault rifles and troop transport trucks.

The bill of ladings...[rephrases] they had a different sort of bills of lading which meant that we were dealing with a weapons smuggling case. We reported our findings to various Peruvian military organizations and to the Peruvian Investigative Police [PIP]. We have also given a report and detailed identification of the weapons to other countries to try to find out together the real destination of these weapons and to identify the purchasers. [end recording] [passage omitted]

[Baella Tuesta] This is the Pia Vesta, a small but fast ship. As can be seen, it is very well maintained. Its powerful motors can almost make the ship fly, and when the ship wants to, it can be as silent as a ghost. It remains docked here, watched day and night to prevent any attack. The crew remains, detained on board.

This ship is equipped with a sophisticated communications system, able at any moment to contact the most distant points on earth or any airplane or submarine. This ship is not armed with cannons. It is being held incommunicado. The Panamanian military authorities have isolated it.

The vehicles were sent to a fort 3 hours from here, and the weapons were sent somewhere else, somewhere not accessible to anyone.

With Gen Noriega's generous permission, "Frente a Frente" is able to film for the first time these views for Peruvian television of the arsenal transported on board this suspicious ship with an unclear mission in our seas.

Here are the 32 trucks it brought. They are made in the GDR. They can transport 32 seated persons. Their motors do not need water. In addition to all the usual spare parts and implements of any military vehicle, these trucks have sophisticated communication system. They are also equipped with ramps to land troops and equipment on shallow beaches, as well as high speed tires and equipment for deserts.

There are several spare motors. Six of the vehicles are for medical use and are well-equipped for emergency surgery. These trucks are ready to move. They have always been ready, as if they were going into action soon.

With false documents, the Pia Vesta transported 1,440 RPG-18 rocket launchers and 1,500 automatic rifles.

The rocket launchers are loaded with their destructive charge and ready to be fired at any moment by just pressing a button. They are disposable rocket launchers. That is, they can be used and the tube can be thrown away. They do not require any additional equipment. Each rocket launcher weighs 3 kg. It can break through a 30-cm armored plate from a distance of 300 meters. They can be shot land to land or land to air by a single man. The date of each rocket launcher shows that they were manufactured a few months ago, and although they have a Soviet patent, they were manufactured in GDR. According to the Panamanians they are the most modern rocket launchers in the world.

The AKS-74 automatic rifles are the most modern rifles the Soviet Army has. They are very light, easy to handle, and very durable. With a fixed bayonet they can be used for hand-to-hand combat. The bayonet turns into powerful pliers capable of cutting through steel mesh.

The equipment and vehicles transported on the Pia Vesta could easily arm 1,500 men, giving them a devastating offensive capability. [passage omitted]

The Foreign Ministry sent the Congressional Permament Committee a detailed report with the government's points of view. According to this version, the Pia Vesta has loaded in the port of Rostock in the GDR, 204,300 kg of cargo. Only trucks and spare parts are mentioned. One of the bills of lading mentions as a recipient the Salvadoran Armed Forces, and as a shipping agent in Panama the (Terminal de Chiriqui) company which belongs to Emilio Ortiz de Zeballos, a Peruvian. However, another bill of lading is also mentioned. According to this document the recipient was (SINATO) port of disembarkation El Callao, with Pasalagua of Peru as the customs agent.

On 10 June, Emilio Ortiz de Zeballos was contracted by an American named David Duncan to ship the Pia Vesta cargo. [passage omitted]

On 12 June the Peruvian Navy authorities started looking for the Pia Vesta, and the mysterious ship could no longer be found. The Peruvian Government had already warned the Panamanian authorities about the ship's cargo. On 14 June the ship arrived in Balboa where it was captured by Panamanian forces. [passage omitted]

BRIEFS

DRUG TRAFFICKERS ARRESTED -- Panamanians Gilberto Antonio Fernandez and Alfonso Manuel Moreno and Colombians Jose Nilson Fierro, Jaime Valderrama, Cripiano Palacios, Dionisio Cordova, Daniel Manrique, and Leto Sanchez were arrested by drug agents on Tuesday when they were trying to sell 2 kg of cocaine worth $200,000 on the black market. [Summary] [Panama City EXTRA in Spanish 8 Aug 86 p 13 PA]

COSTA RICA

FOREIGN MINISTER PROPOSES MULTINATIONAL ARMY

FL111553 Mexico City NOTIMEX in Spanish 2309 GMT 9 Aug 86

[Text] Bogota, 9 Aug (NOTIMEX) -- Foreign Minister Rodrigo Madrigal Nieto today proposed here the creation of a multinational army to defend and safeguard his country's neutrality from Nicaragua's territorial and verbal aggressions. Rodrigo Madrigal, who accompanied President Oscar Arias to the inauguration of Colombian President Virgilio Barco Vargas, accused Managua's government of provoking a military escalation in the region, and taking advantage of its immense military superiority to conduct raids in Costa Rican territory.

The minister said the creation of an international force stationed in his country was proposed in discussions recently held by the Contadora Group, however the proposal was rejected because of its high operational cost. Foreign Minister Madrigal termed false the announcement by Nicaragua's Vice President Sergio Ramirez Macado that Nicaragua is ready to sign the Contadora Document, inasmuch as there can be no peace talks while the arms race continues in the region.

EL SALVADOR

NOTIMEX INTERVIEWS ZAMORA ON GOVERNMENT TALKS

FL120132 Mexico City NOTIMEX in Spanish 2312 GMT 11 Aug 86

[By Epigmenio Ibarra]

[Excerpts] Managua, 11 Aug (NOTIMEX) -- A third round of talks between the Salvadoran Government and insurgents will depend on the results of the preparatory meetings that the conflicting parties will hold in Mexico City on 20 August. This was stated in an exclusive NOTIMEX interview with Ruben Zamora, vice president of the FDR.

Zamora was optimistic about the real possibility of holding soon in El Salvador a high-level meeting between government and insurgent alliance. We are close to a third round of talks, Zamora asserted and noted that after 2 years of interrupted communication, obviously we really need to prepare for it and reach agreements regarding key procedural and security aspects.

This is what the meeting in Mexico will have to achieve. We have accepted the government's proposal to go to Mexico with a preparatory commission, he said, but added that they have rejected the idea of holding such meetings at the Salvadoran Embassy in Mexico City.

According to the rebel leader, the official proposals as well as those of the insurgency need to be considered for discussion. We have proposed El Salvador as the place for the third meeting, and we have other reasons to refuse to meet where the government of Napoleon Duarte has suggested -- in an eastern city of El Salvador.

The insurgents claim that the main problem is that in the eastern part of the country, specifically in the city of San Miguel, there are no safety conditions that can guarantee holding the meeting without incidents that will endanger the lives of the FDR-FMLN delegates.

For example, Zamora indicated that the government assumed responsibility for the Christmas and New Year's truce, and eastern military commanders disregarded the government's orders and violated it. When Arturo Rivera y Damas spoke with the FMLN command, he assured that the Army would not be mobilized, however an entire battalion was sent.

Those things need to be taken into consideration, said Zamora after noting that they are willing to comply with an agreement reached by the joint commission regarding the place where the meeting will be held. He added that it is of great significance. [passage omitted]

Zamora said that all the sectors that have expressed an interest in participating in the peace process can and should take part in the search for political solutions. [passage omitted]

It is important for the insurgency not to be fooled regarding the purposes of the regime for calling a third round of talks, Zamora said, because within the framework of the U.S. counterinsurgency strategy, dialogue is a tactical instrument to show the Reagan administration that it is not alone in its war and to obtain military aid. Domestically, the call for talks is also a way to keep the government afloat. Regarding this, Zamora added that because of the economic crisis it is facing, the Duarte government is trying to figure out what it can do in the next 3 years of power.

Referring to the comments that the aim of the talks is to make the insurgents abandon their arms, Zamora said this was absurd and unacceptable, because this would be the same as our asking the government Army to surrender its arms. El Salvador is at war, and the talks or negotiations are precisely an instrument to figure out how we are going to overcome that state of war. It would also be absurd to request that, without an agreement, military activities be suspended or limited. That would be to cross the bridge before getting to it.

Zamora said: I would like to state clearly that if we consider the FMLN-FDR and the government as the only factors in finding a negotiated political solution to the conflict it will not happen, because the United States is very much against it. But if all of Salvadoran society's sectors unite in finding a negotiated solution, we can achieve it despite the Americans. It is very hard, but we Salvadorans who want peace have no choice, the commander concluded.

NICARAGUA

GDR DELEGATION ARRIVES IN MANAGUA 10 AUGUST

LD110855 East Berlin ADN International Service in German 0219 GMT 11 Aug 86

[Text] Managua, 11 Aug (ADN) — A GDR delegation headed by Professor Dr Manfred Gerlach, deputy chairman of the Council of State, arrived in Nicaragua on Sunday. The guests were cordially welcomed at Managua airport by Dr Sergio Ramirez, vice president of the Republic of Nicaragua. As part of a visit to several Latin American countries, the GDR deputation earlier visited Panama. Dr Gerlach and Dr Roderic Esquivel, vice president of the Republic of Panama, discussed the preservation of peace, especially in Central America, The two statesmen emphasized the significance of the Contadora Group's efforts for a peaceful solution to the conflicts in this region. The talk was also attended by Dr Jorge Abadias Arias, the Panamanian foreign minister.

U.S. ARMY OFFICER REQUESTS POLITICAL ASYLUM

FL111159 Havana Radio Progreso Network in Spanish 1100 GMT 11 Aug 86

[Text] Hugo Romeu Almeida, a U.S. Army officer with the rank of captain, has asked the Cuban Government to grant him political asylum. Officer Romeu Almeida was stationed at the U.S. army base in Stuttgart. Romeu Almeida is of Cuban origin.

He expressed his desire to abandon the U.S. Army because of his disagreement with its policy toward Central America, an area to which he was going to be assigned due to his Latin origin. He said his decision was also influenced by the Vietnam war and the poverty he had observed in the Dominican Republic during a 2-year stay there. Hugo Romeu Almeida is now in Cuban territory, where he arrived a few hours ago.

TOURISM TO BECOME NATION'S SECOND INDUSTRY

FL111218 Bridgetown CANA in English 1712 GMT 10 Aug 86

[Excerpts] Havana, Aug 10, CANA -- Cuba has announced a 500 million dollar (U.S.) plan to re-develop its once thriving tourist industry, with the eventual aim of making it the island's second most important source of hard currency after sugar.

Details of the plans were published in the semi-official magazine CUBA INTERNATIONAL, which carried news of the development programme in a recent edition.

The report said Cuba had launched a major drive to promote tourism, listed it as a priority aspect of the country's five-year development plan to 1990, and added that there were features of the programme that stretched to the year 2000.

...There are even hopes to make it the second most important source of hard currency in the country over the next few years, CUBA INTERNATIONAL reported.

The magazine report spoke of an ambitious investment programme worth more than 500 million dollars...during the next five years to develop tourism here.

Centrepiece of the development plan is the construction or expansion of hotels to double the number of beds available to tourists from the present 30,000.

Tourism authorities regard the present number as inadequate, CUBA INTERNATIONAL stated.

The magazine described the development aspects of the 1980s as a more mature case and announced that in the five-year period to 1990, eight new hotels will be built in the famed Varadero Beach area in collaboration with Argentina.

Other usually reliable industry sources also reported that the tourism development plans in Cuba include improvements and expansion of the airport at Varadero and construction of an airport at Santiago de Cuba in the south of the country. [passage omitted]

CUBA INTERNATIONAL reported that tourism here expanded 11 per cent in 1985, compared with 1984, whilehard currency income jumped 16 per cent in the period.

The magazine gave no specific figures for actual earnings, but said that visitor arrivals were up from 127,000 in 1981 to 206,000 in 1984, and reached 240,000 last year.

Planners expect that by the end of 1990 between 350,000 and 400,000 tourists should be visiting Cuba each year.

Visitor arrivals this year are expected to be above the 250,000 level, with the vast majority coming from Canada, Mexico, and Western Europe -- some 170,000. The remainder are expected from socialist countries, CUBA INTERNATIONAL stated. [passage omitted]

BRAVO RETURNS FROM INAUGURATION IN COLOMBIA

FL111251 Havana Radio Progreso Network in Spanish 1100 GMT 11 Aug 86

[Text] Flavio Bravo, president of the National Assembly of the People's Government, has returned home after attending the inauguration of Colombia's President Virgilio Barco Vargas.

Flavio Bravo told newsmen he had participated in the extraordinary meeting held by the Latin American Parliament in Colombia, in which matters concerning the institutionalization of that international body were discussed.

AGRICULTURE MINISTER MEETS WITH SOVIET OFFICIAL

FL112351 Havana Radio Rebelde Network in Spanish 2300 GMT 11 Aug 86

[Text] Cuban Agriculture Minister Adolfo Diaz Suarez was received today by Vsevolod Murakhovskiy, president of the USSR State Committee of Agroindustry. In a meeting held in Moscow, the two leaders discussed matters regarding scientific and technical cooperation in the area of agriculture during the current 5-year period.

MINISTER MALMIERCA MEETS WITH INDIAN MINISTER

FL120044 Havana Television Service in Spanish 0000 GMT 12 Aug 86

[Text] Foreign Minister Isidoro Malmierca has received the Indian minister and special envoy for nonaligned countries affairs, (N Peyain). The two cordially discussed matters regarding the eighth nonaligned summit meeting.

The Indian minister toured the Isle of Youth, where he visited historic places and schools. (Peyain) will depart tomorrow for Nicaragua to continue his working program.

BARBADOS

KING IMPLIES DRUG TRAFFICKING BY BLP MINISTER

FL111051 Bridgetown CANA in English 2110 GMT 10 Aug 86

[Text] Bridgetown, Barbados, Aug 10, CANA -- Barbados new Attorney General Maurice King was today quoted by the SUNDAY SUN newspaper as saying packages containing marijuana were earmarked for the minister of health in January and July. But former Attorney General David Simmons asserted ex-Health Minister O'Brien Trotman was not involved in any illegal drugs business.

According to the paper, King told the annual general meeting of the Prison Officers Association on Friday: Before I became attorney general, I had been aware that illegal drugs were coming through the Grantley Adams International Airport addressed to some ministries and government departments by name. For instance, on January 4, seven packages came addressed to the minister of health. These packages came from various destinations in the Caribbean.

Commenting on the incident, Simmons said a customs officer reported the package originated in Barbados, was sent to St Vincent, and came back. He said Trotman knew nothing about the package, adding the former health minister informed Cabinet about the matter shortly afterwards. Simmons also recalled briefing head of the government's task force on drugs, Fitzgerald Parris, about the incident.

King, whose Democratic Labour Party (DLP), won general elections May 28, said: On July 14, 1986, a package arrived by air at the Grantley Adams International Airport. It was a card box containing four packages of vegetable matter -- it was marijuana addressed to the minister of health. The present minister of health knew absolutely nothing about it, and it was eventually destroyed by customs.

Simmons said: the opposition deprecates the statement by Attorney General Mr King in so far as it seeks to refer to former Minister of Health Mr Trotman without giving all the facts concerning the incident of January 4. Simmons added: It can only contribute to slur and reckless rumour that started prior to the general elections and that pervaded the general elections campaign -- rumours that suggested that members of the former government were involved in drug trafficking. Simmons suggested that the attorney general either call an enquiry or prosecute the alleged offenders if he had information suggesting that former government members were involved in hard drugs. If he had no information, said Simmons, then he should not seek to slur the names of former minister in the BLP (Barbados Labour Party) government. Because the crucial thing in all of this is the element of knowledge.

GRENADA

COMMUNICATIONS AGREEMENT SIGNED WITH CANADA

FL111449 Bridgetown CANA in English 1612 GMT 10 Aug 86

[Excerpts] St Georges, Grenada, Aug 10, CANA -- Grenada and Canada have signed a 7.5 million Canadian dollar agreement to help improve the services offered by the state-owned telephone company here. The agreement was signed last week by top officials of the two governments.

Grenada's Communications Minister Dr Keith Mitchell told CANA that the grant funds would be used to install a digital system at the telephone company by the end of 1988. He said the bulk of the money would be used to purchase equipment from Northern Telecom while one million dollars would go towards employing local labour in order to help ease the unemployment situation on the island. The grant would be supplemented by a 7.5 million dollar loan which the island is expected to get shortly from the Canadian export development corporation, he added. [passage omitted due to garbling]

Grenada and Canada signed agreements covering one million dollars in technical support and equipment for the central garage, and 1.5 million dollars for a water sewerage project. Canada has provided financial assistance to Grenada in recent years to construct the Point Saline International Airport, and rehabilitate the vital cocoa industry.

HAITI

NAMPHY MEETS WITH OAS SECRETARY GENERAL

FL051347 Bonaire Trans World Radio in English 1100 GMT 5 Aug 86

[Text] Haitian president Henri Namphy and other senior officials in Haiti's interim government held private talks yesterday with the head of the Organization of American States. OAS Secretary General Joao Clemente Baena Soares was scheduled to meet with Mr Namphy and several other ministers and members of the National Council of Government that replaced ousted president Jean-Claude Duvalier. The visiting official intends to hold a news conference before leaving the country today to give details of his talks.

DOMINICAN REPUBLIC

PRD WILL NOT PARTICIPATE IN GOVERNMENT

PA111934 Madrid EFE in Spanish 1426 GMT 11 Aug 86

[Text] Santo Domingo, 11 Aug (EFE) -- Jose Francisco Pena Gomez, vice president of the Socialist International, announced today that the Dominican Revolutionary Party (PRD) will not participate in the government of President-elect Joaquin Balaguer, of the Social Christian Party. Pena Gomez, who is also PRD president, noted, however, that the opposition will cooperate with the "national unity" government that Balaguer is proposing. Balaguer will be sworn-in 16 August.

Pena Gomez did not say whether or not any PRD member who accepted a post from Balaguer would be penalized. In announcing that the PRD would help Balaguer with suggestions and positive measures, Pena Gomez explained that the country could not stand a strict PRD opposition to the Balaguer government.

SURINAME

1986 BUDGET SLASHED BY NATIONAL ASSEMBLY

FL112138 Paramaribo International Service in English 1730 GMT 11 Aug 86

[Text] Last Friday, the National Assembly gave the Government of Suriname further instructions to cut the 1986 budget by at least 65 million guilders. The National Assembly said that 300 million guilders, which were needed to balance the budget, must be slashed without affecting the poor, prices, and availability of primary goods and national production. It also called on the government to draw up a plan of action as soon as possible. During the meeting, the 31 members of the assembly unanimously decided that the ministries should produce monthly reports and, at the same time, echoed a call for the government to encourage national production through incentives. The members also called on the government to take the necessary measures to put the brakes on the exportation of foreign exchange from the country, which is being deposited by Suriname in foreign banks.

Central Bank To Supervise

FL112143 Paramaribo International Service in English 1730 GMT 11 Aug 86

[Text] On Friday last, the National Assembly passed a resolution which called for all financial institutions to be put under the supervision of the Central Bank. Those institutions -- which from now on will be supervised by the Central Bank -- are among others, insurance companies, mortgage banks, and pension funds.

FBIS

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GOVERNMENT MAY OBTAIN AWACS FROM SAUDI ARABIA

PY121925 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1803 GMT 12 Aug 86

[Text] Buenos Aires, 12 Aug (NA) -- Argentina could become the first Latin American country to have a U.S.-made AWACS aircraft if it concludes a bilateral agreement with Saudi Arabia. The preliminary bases for this agreement were discussed during President Raul Alfonsin's recent visit to Jiddah.

According to reliable government sources, the operation would include the sale by Argentina to Saudi Arabia of two Mekko-42 type Navy frigates. The value of these frigates is estimated at $400 million, although their real price on the market would be slightly lower. If the negotiations, which are still in their early stages, are concluded successfully, Saudi Arabia will deliver to Argentina an AWACS aircraft and a yet undetermined amount in dollars as payment for the two frigates.

The purchase of an AWACS aircraft would be highly significant for Argentina, both politically and strategically, because this aircraft is equipped with very sophisticated equipment manufactured in the West only by the United States, which sells them only to its most reliable allies. When the U.S. Government sold AWACS aircraft to Saudi Arabia, the Israeli Government, which also has AWACS aircraft, (?protested) vehemently because these aircraft were giving a strategic capability to the Arab countries.

The first steps toward this possible exchange agreement were made by President Alfonsin and King Fahd during the talks they held last month on the occasion of Alfonsin's visit to Jiddah. At that time, it was officially announced at the end of their talks that progress had been made in the area of possible military and technological exhanges, but without giving further details. It was also denied that it was after those talks that Argentina was given the opportunity to enter into the world weapons market. Reliable sources admitted on that occasion the topic "was mentioned" in the dialogue, and government sources now admit that "there is something" to this.

"There is something, but the topic is very new still," was the answer given by the source consulted about the possible sale and transfer of the two frigates to Saudi Arabia as partial payment for the modern AWACS radar aircraft.

The sources also stated that within the next few months a mixed government and business mission of the Saudi Government is expected in Buenos Aires, presumably to discuss the topic more thoroughly with their Argentine colleagues. Before that mission arrives in Buenos Aires, it is quite certain that the Saudi defense minister will arrive. He was officially invited by Alfonsin to visit Argentina during the Jiddah talks. On that occasion Alfonsin's entourage knew of the importance of the invitation that had been extended to the Saudi defense minister, the only defense minister who received [words indistinct] the presidential tour of six countries.

ARMY CHIEF OF STAFF RIOS ERENU RETURNS FROM PRC

PY121502 Buenos Aires TELAM in Spanish 1316 GMT 12 Aug 86

[Text] Buenos Aires, 12 Aug (TELAM) -- Army Chief of Staff Major General Hector Luis Erenu returned to the country today following an official visit to the PRC. Rios Erenu arrived at Ezeiza Airport in the company of his wife, and he left the airport without speaking to the press.

During his stay in the PRC, Rios Erenu met with high-ranking Army officers and Defense Ministry officials.

ESPECHE GIL, PRESS MEET WITH USSR'S SUSLOV

PY121546 Buenos Aires TELAM in Spanish 2119 GMT 11 Aug 86

[Text] Buenos Aires, 11 Aug (TELAM) -- Soviet Ambassador at Large [title as received] Vladimir Suslov and Soviet Ambassador to Buenos Aires Oleg Kvasov have met at the Argentine Foreign Ministry with Miguel Espeche Gil, who is the director of the Eastern Europe Department, and with officials of the Department for International Organizations. In reply to newsmen, Ambassador Kvasov said that this was an annual political meeting that is held alternately in Buenos Aires and Moscow to consider topics for the agenda of the UN General Assembly to be held in New York in September.

Asked about his country's position on the declaration recently issued in Mexico by the Group of Six, Kvasov said that the Soviet Union views with great pleasure the efforts being made by the six heads of state and government who are promoting disarmament and trying to monitor nuclear arms through on-site inspections.

Kvasov also categorically confirmed that President R Alfonsin will visit the Soviet Union as scheduled. He declined to comment on the U.S. cereal grains dumping but admitted that issues related to Argentine-Soviet bilateral relations were also discussed at the meeting.

SPANISH FISHING BOAT VIOLATES TERRITORIAL WATERS

PY121542 Buenos Aires TELAM in Spanish 1210 GMT 12 Aug 86

[Text] Buenos Aires, 12 Jul (TELAM) -- The Press Office of the Argentine Naval Prefecture this morning reported that a Spanish flag vessel fishing in Argentine territorial waters was captured 200 miles southeast of the Punta Delgada Lighthouse, off the coast of the Chubut Province. The captured vessel was taken to Puerto Deseado. The fishing boat was found to have 30 tons of hake in its holds. The Coast Guard vessel CG27 Prefecto Fique was the vessel that made the capture.

It has also been reported that the Naval Prefecture vessel surprised the fishing vessel at latitude 45 degrees, (?4) minutes, 5 seconds [no cardinal point given], and longitude 60 degrees, 30 minutes, 9 seconds west, approximately 198 miles southeast of the Punta Delgada Lighthouse (Chubut Province). The official report adds that the Spanish vessel has a length of 48.37 meters, a beam of 8.52 meters, a height of 4.10 meters, and a net tonnage of 497.22. The hull is painted grey and the superstructure white.

The fishing vessel, which has a crew of nine under Captain Jaime Otero, is based in Vigo, Spain.

Once the violation was confirmed, the Spanish vessel was taken to Puerto Deseado, where the appropriate procedures are being carried out. The report concludes by saying that in previous similar cases the cargo of fish was confiscated and fines levied.

AIR FORCE CHIEF'S SPEECH EVOKES REACTIONS

PY122108 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1925 GMT 11 Aug 86

[Text] Buenos Aires, 11 Aug (NA) -- Referring to criticism contained in the speech delivered by the Air Force Chief of Staff Brigadier Horacio Crespo, former Justicialist presidential candidate Italo Luder today deemed it "unprecedented during the current constitutional government" for a high-ranking officer of the Armed Forces "to speak publicly on questions unrelated to military matters." On the other hand, Radical Deputy Cesar Jaroslavskiy deemed the speech "a clear statement in defense of democratic order."

Mariano Lorences, president of the National Committee of the Intransigent Party, today requested "punishment" for the military chief for giving such a speech during the Air Force Day ceremonies, "because it is inadmissible for him to criticize an entire society." These were the reactions of political leaders to the speech delivered on 10 August by the military chief who said, among other things: "I believe that all social sectors of our nation deserve to be admonished."

Luder told NOTICIAS ARGENTINAS that the Air Force chief of staff "has not made partisan criticism," but has "merely placed responsibility for social behavior." He said: "I do not believe that Crespo has overstepped the line of his duties." However, Luder emphasized: "I do not share his concepts about the arrogance and egocentrism of the social sectors that exert pressures because of their incomes," because "there is a large sector of Argentine people who make 150 australes a month, which is a dramatically low sum," and "those responsible for the economic policy should be criticized."

On the other hand, Jaroslavskiy said he "agrees" with Crespo's words and added the statements are "a clear position in the defense of the democratic order and institutions."

Meanwhile, Defense Minister Horacio Jaunarena's spokesman simply said that the minister "will not make any comment on the subject."

Brigadier Crespo said in his message delivered yesterday: "I believe that all social sectors of our nation deserve to be admonished." He referred to the "military men who let themselves be carried away by simplistic ideas of being saviors, invading sectors and taking responsibilities that did not belong to them." Crespo added that "there are also people who participate in party politics and manage the parties as if the fate of the nation itself depended on them."

In this regard, Lorences said that "it is inadmissible for this military chief to want to criticize an entire society, when he and others in the Armed Forces have silently tolerated genocide in Argentina and justified this complicity by saying that they were obeying orders." Lorences added that "the Armed Forces must realize that they are part of a state organization subordinate to the executive branch and other constitutional mechanisms." He deemed the expressions of the Air Force chief of staff "totally unfitting" for a man in his position and said that they "can even harm the president of the Republic, who is contitutionally the Armed Forces commander in chief."

CRESPO SAYS AIR FORCE TO GET PRIVATE INVESTMENT

PY122147 Buenos Aires DYN in Spanish 1943 GMT 10 Aug 86

[Text] Buenos Aires, 10 Aug (DYN) -- Air Force Chief of Staff Brigadier General Ernesto Crespo has announced that the war materiel area in Cordoba, which is under Air Force jurisdiction, will become a corporation with the state's participation, but "with substantial private participation."

During the first part of his speech on Air Force day, Crespo referred to all the tasks being performed by the Air Force concerning civilian and military services and gave an account of the Air Force's projects in the airplane manufacturing sector. Concerning the privatization of the airplane manufacturing sector, Crespo stated that "we are working on this, seeking to attract the interest of enterprises and financial entities and, at the same time, making the necessary legal arrangements." Crespo mentioned the financial problems that hinder aeronautic development and said that efforts are currently being made in the fields of marketing, exporting, securing financial support, and setting up joint ventures with other countries.

Crespo then gave an account of the projects in progress, including:

-- supplementing the manufacture of IA 58 "Pucara" airplanes.

-- launching the 4th stage of series production of the IA 63 "Pampa" military training airplanes, and strengthening marketing efforts. Sales to foreign countries have already been made.

-- implementing the cooperation and joint venture agreements signed with Brazil and formalized through Protocol No 12 of the cooperation and economic integration agreement.

-- implementing the agreement memorandum signed on 19 June with the McDouglas [name as received] company to manufacture, under license, A4 airplanes, airplane and helicopter spare parts, and aeronautics equipment.

-- proceeding with negotiations on agreements with Israeli industries to market "Pampa" and "Pucara" airplanes, finance the airplane manufacturing sector of the war materiel area in Cordoba, jointly manufacture fighter planes, and build an airplane maintenance center.

BARTHELEMY DENIES REPORTED MURDER ATTEMPTS

PY130141 La Paz La Red Panamericana in Spanish 0000 GMT 13 Aug 86

[Text] Interior Minister Fernando Barthelemy has stated that his remarks to an ULTIMA HORA reporter have not been interpreted correctly by the correspondent. He explained that he said only that there have been some indications about a frustrated attempt against him. However, the report was exaggerated, the minister stated.

[Begin recording] [Barthelemy] I explained clearly to the reporter that there was information in some intelligence circles that [words indistinct] to recruit people to organize attacks against the interior minister, and that we could not confirm this. The investigations continue, and unless we confirm the report we cannot release the report as true to anyone. This is briefly what I told your colleague Mr (Ted Laura), and obviously he published a report that is not in keeping with what I said.

[Reporter] Is the life of the president of the Republic also in danger from the type of attacks you mentioned, or was the attack intended solely against you?

[Barthelemy] No. Look, the drug-trafficking problem is international. We have seen it in other countries. We know how they have acted in Peru, and especially in Colombia. You know this better than I do. When drug trafficking was strongly repressed in Colombia, the Mafia attacked ministers, murdering Minister Lara Bonilla. It conducted other joint actions with the M-19 guerrilla group, such as the attack on buildings housing a judge's office. Thus, we do not discard the possibility that they might try to do something. But, I think it will be more difficult for them in our country. [end recording]

The interior minister then added that there are not detainees in the Interior Ministry. In this manner he categorically denied the report published by the afternoon newspaper ULTIMA HORA, which attributed to the interior minister the information that two individuals had been arrested for the attempted murder of the minister.

[Begin Barthelemy recording] I want to explain this because I do not know where ULTIMA HORA got the information. I have not given any information to ULTIMA HORA, much less the information that was published. I suppose ULTIMA HORA must have its own source for this article. There are absolutely no such people under arrest. Obviously, the newspaper misinterpreted this information as it has often misinterpreted other information on the political and drug trafficking problems. Of course, we are doing everything possible to verify this but we can categorically state that we have not taken this seriously as was reported by ULTIMA HORA. [end recording]

BEDREGAL TO MEET WITH DEL VALLE IN NEW YORK

PY121515 Paris AFP in Spanish 0243 GMT 12 Aug 86

[Text] La Paz, 11 Aug (AFP) -- Foreign Minister Guillermo Bedregal Gutierrez announced here today that he and his Chilean counterpart will meet in New York in September to discuss bilateral issues.

This announcement is included in a report that the minister submitted to President Victor Paz Estenssoro on his visit to Colombia, where Bedregal attended the inauguration of President Virgilio Barco Vargas.

Bedregal said that he and Chilean Foreign Minister Jaime del Valle held a circumspect meeting in Colombia, where they discussed strictly technical matters. He added, the meeting in New York will be more important because the agenda will include bilateral issues.

DEBT RENEGOTIATIONS DEPEND ON NEW CREDITS

PY121710 Madrid EFE in Spanish 0735 GMT 11 Aug 86

[By Erick Torrico -- all figures as received]

[Text] La Paz, 11 Aug (EFE) -- Bolivia will renegotiate its foreign debt with private international banks only if the ocuntry is granted new credits, unofficial sources have told EFE. The new credits, just like the present ones obtained from multilateral organizations and through intergovernmental agreements, will be used to reactivate industry, improve the balance of payments, and increase the current level of foreign reserves (some $200 million).

Although the country's financial authorities have not yet officially defined the nation's renegotiation strategy, Planning Minister Gonzalo Sanchez de Lozada and Central Bank President Xavier Nogales have agreed that the basic requirement must be opening new lines of credit for Bolivia. Foreign bankers closed the financial channels when Bolivia declared a moratorium on the payment of interest in May 1984. At that time, the 128 creditor banks gave the La Paz government 90 days to reconsider its position. Since the bankers failed to request legal measures to embargo Bolivian accounts and exports, the 90 days expired, and the ultimatum became ineffective. Now, 2 years later, a new democratic regime will reinitiate formal talks with the Bolivian Creditor Banks Committee.

The government of Hernan Siles Zuazo (1982-1985) favored a multilateral solution to the problem as opposed to the bilateral solution that was proposed by Victor Paz Estenssoro during his electoral campaign. This March, the government of Paz Estenssoro signed a memorandum of economic understanding with the IMF, after having established the basis for it through a "new economic policy" liberalizing the statist model that had been in effect since 1952. Later, in July, Paz Estenssoro gave instructions for the renegotiation of $645.5 million with countries of the so-called Paris Club. The La Paz government has taken all the preliminary steps necessary to negotiate with the commercial bankers, to whom it owes nearly $1 billion.

A report from the Finance Ministry indicates that up to 31 December 1985, the total debt contracted by Bolivia amounted to $5,214,020,000, of which $3,349,900,000 has been disbursed and is actually owed. Of this latter sum, 26.1 percent is owed to multilateral creditors (IMF, IDB, Andean Development Corporation, etc) and 37.4 percent to bilateral creditors (represented by governments), adding up to 63.4 percent (26.1 plus 37.4 percent) the actual debt to official creditors. The remaining 34.2 is owed to private creditors.

Translating this 34.2 percent of the actual debt of $3,349,900,000 into a figure, the debt to private creditors amounts to $1,146,461,000, almost $200 million above the amount estimated yesterday by Planning Minister Gonzalo Sanchez de Lozada.

Had Bolivia not concluded agreements with the IMF and the Paris Club, it would have needed almost $1.6 billion to honor the service on its foreign debt in 1986. This would have been impossible, because Bolivia's export earnings will not surpass $400 million by the end of this year. Paradoxically, according to Bolivian Central Bank President Xavier Nogales, fewer than 100,000 Bolivians have deposited more than $2 billion with foreign banks. This flight of capital, which began in 1976 and diverted a good portion of the loans Bolivia obtained in a decade, represents nearly 40 percent of the national foreign debt contracted up to 31 December 1985 ($5,214,028,000).

With the announced trip of Planning Minister Gonzalo Sanchez de Lozado and Finance Minister Juan Cariaga to Washington, the Bolivian Government expects to gain a new lease on its economic life, following negotiations that are scheduled to start on 18 August. In addition to keeping the Bolivian Government from having to make considerable disbursements for foreign debt payments in the near future, these negotiations should open new financial possibilities for it to consolidate its anti-inflationary program.

Sachs Opposes Debt Payment

PY121455 Paris AFP in Spanish 1338 GMT 11 Aug 86

[Text] La Paz, 11 August (AFP) -- In a statement issued to the press today in La Paz, an economic adviser to the government of Victor Paz Estenssoro, U.S. citizen Jeffrey Sachs, advised the country not to make any payments on its foreign debt this year.

Sachs, author of the neoliberal plan of 19 August 1985, which decreed the floating of the peso in relation to the dollar, the free hiring of workers, the drastic increase in the price of gasoline, and the decentralization of state-owned companies, said that this decision will be understood by the creditors, because no one wants hyperinflation to start all over again.

In 1986, Bolivia should pay $678 million in services on its foreign debt, which totals $5.2 billion, besides an additional $170 million in back payments, while its exports hardly reach $400 million.

Sachs also revealed that he was initially contracted to draw up the economic program for the conservative Nationalist Democratic Action (ADN) headed by General Hugo Banzer Syarez, but since this party was not elected in 1985, he was transferred to serve the new head of state, Paz Estenssoro.

COB TERMS PRESENCE OF U.S. TROOPS 'INVASION'

PY121412 Madrid EFE in Spanish 1610 GMT 8 Aug 86

[Text] La Paz, 8 Aug (EFE) -- The Bolivian Labor Confederation (COB), the top labor organization in Bolivia, has expressed its support of the opposition initiative in Congress to question four ministers and one ambassador over the presence of U.S. troops in the country and proposed that the questioning should also include President Victor Paz Estenssoro. Opposition congressmen have requested that Foreign Minister Guillermo Bedregal, Defense Minister Fernando Valle, Interior Minister Fernando Barthelemy, Planning Minister Gonzalo Sanchez, and Bolivian Ambassador to Washington Fernando Illanes be questioned.

In a document sent to Congress, the COB says that the president is the main promoter of the U.S. troops' admission into Bolivia. The document says that "the invasion of our territory by foreign troops, in an act that violates our sovereignty, is a humiliating affront to all Bolivian citizens." The document adds that "Bolivia is the first state in this part of the American continent to suffer an invasion of its territory by U.S. troops, who are constantly endangering peace around the world."

"Bolivia has an Army capable of facing drug trafficking by itself," states the COB, "and the fact that its capacity is put in doubt shows the humiliating treatment the North gives to all institutions of our country because of the prostration ordered by the government of the MNR-ADN (Nationalist Revolutionary Movement and Nationalist Democratic Action) alliance." "This servile posture," it adds, "should not compromise the sound position of the Bolivian people, who have always preached their devotion to liberty, and so we congratulate the oppostiion for their initiative."

The COB concludes by saying that "we believe that the main promoter of the admission of the Yankee troops should not be left out of such questioning, and for that reason we ask that President Paz Estenssoro also be included in it."

RADIO STATION'S EQUIPMENT WRECKED BY BOMB

PY121404 Paris AFP in Spanish 1244 GMT 12 Aug 86

[Text] La Paz, 12 Aug (AFP) -- Police sources in this capital have reported that a bomb explosion today caused serious damage to the transmitting equipment of Radio Indoamerica in Potosi, 570 km southeast of La Paz.

The dynamite explosion, which caused no casualties, occurred after midnight. Something similar occurred to Radio Aclo of Tarija in June 1986. Tarija is also located south of here near the border with Argentina.

No one has claimed responsibility for the attacks.

TARIFF-FREE GOODS TO BE IMPORTED FROM URUGUAY

PY121915 Brasilia Radio Nacional da Amazonia in Portuguese 1000 GMT 12 Aug 86

[Text] The customs tariff exemption agreed on by Presidents Sarney and Sanguinetti will apply to 1,100 products which can henceforth be imported or exported freely. For President Sarney, this means that the Latin American common market is now in operation, since an identical agreement was very recently signed with Argentina.

Yesterday Brazil contracted to import nearly 200,000 tons of rice -- more than half the Uruguayan rice crop -- and 70,000 tons of Uruguayan meat, which will begin to enter Brazil on 1 October. The announcement was made by President Jose Sarney, who emphasized that Latin America is one of his government's foreign policy priorities.

[Begin Sarney recording] When I came to power, my foreign policy directive was to give priority to Latin America, and we can see now that this directive is taking hold. After signing agreements with Argentina, we are signing important documents with Uruguay. Consequently, we are going to import nearly 200,000 tons of rice, which is more than half the Uruguayan rice crop, and 70,000 tons of meat. which is a substantial part of that country's production. [end recording]

President Sarney said that the agreements being signed with the Uruguayan Government are similar to those that were recently signed with Argentina. In this way, he added, the Latin American common market could be considered to be operational.

[Begin Sarney recording] Through the signing of these agreements with Uruguay, which are most identical to those we signed with Argentina recently, I believe the Latin American Common Market has been set in motion. This is an important step not only for Brazil, but for other countries as well, as we can verify by the response to the developing government policies. The relationship among governments, the political will of presidents, and the restoration of democracy, which has made it possible for the people to support these policies, have contributed to the onset of this market. [end recording]

The bilateral agreements between Brazil and Uruguay will be signed by Presidents Sarney and Sanguinetti at Planalto Palace tomorrow morning.

This is Ireneu Tamanini reporting from Brasilia for Jornal Nacional.

NUCLEAR PROGRAM BUDGET REDUCED BY $2 BILLION

PY130018 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Aug 86 p 26

[Text] Rio de Janeiro -- The main consequences of the presidential decree that restructured Nuclebras and its subsidiaries will be a budget reduction of over $2 billion, caused by cuts in the programs of the uranium enrichment and reprocessing plants, and the renegotiation of the diplomatic and commercial agreements signed with the FRG.

Nuclebras officials have said that the decree has practically ended both the nuclear program and the company itself. The decree shocked everyone in the company.

Nuclebras directors could not be found in Rio de Janeiro to give an explanation to company employees, who are concerned about their future. Even though the issue has long been debated and analyzed, the Nuclebras board of directors was expecting another solution.

With the support of the National Security Council and the Mines and Energy Ministry, President Jose Sarney decided to redesign the nuclear program following the recommendations of the committee that studied it. The closure of Nuclep [Nuclebras Heavy Equipment, Inc.] Nuclei, [Nuclebras Isotope Enrichment, Inc.], Nustep [an FRG centrifugal jet process development company], and Nuclam [Nuclebras Uranium Prospecting, Inc.], and the transfer of Nuclen [Nuclebras Engineering, Inc.] to Eletrobras [Brazilian Electric Power Comapnies, Inc.] imply a renegotiation with the FRG, because FRG companies own stock in these subsidiaries. Thus, it is necessary to negotiate the closing of the companies or to modify their bylaws. Voest-Alpine, GHH, and KWU are Nuclep minority stockholders. The FRG firm UG owns 49 percent of Nuclem (uranium prospecting firm) stocks. The firm Steag owns 50 percent of Nustep, while Interatom and Steag owns 16.4 and 8.6 percent of Nuclei stocks, respectively. KWU owns 25 percent of the stock of Nuclen, which will become an Eletrobras section.

Thus, Nuclebras will remain in charge of the fuel cycle only. As Mines and Energy Minister Aureliano Chaves put it, Nuclebras can be placed under the jurisdiction of the Ministry of Science and Technology, which is in charge of research departments. According to its financial department, Nuclebras has some 6,200 employees and its monthly payroll amounts to nearly $5 million.

Nuclep has some 800 employees; Nuclen, 900; Nuclei, 450, and Nuclam only 4. Except for Nuclen, all these subsidiaries have managerial structures with several directors, accounting, personnel, and finance departments, storehouses, and so forth. Many people will be dismissed when these companies are dissolved.

There was a general atmosphere of pessimism at Nuclebras because its employees know that the only activity they have left is the fuel cycle, which is still a great mystery. The technological process on which the uranium enrichment plant construction is based is controversial. This process has even been rejected by South Africa, another country to which the inventor of the method, German professor Erwin Backer, tried to sell this process. When the Germans said that they would not be able to transfer to Brazil the technology of the ultracentrifuge process because of U.S. pressure exerted through a diplomatic agreement, Brazil had no option but to invest in a new uranium-enrichment method which has only been laboratory tested. The ultracentrifuge method, which is a fully developed and effective method, is not available. Instead we have been offered another method that requires going through several industrial stages which have not yet been fully mastered. Washington did not raise any objections to this method.

Even with the budget reduction the Brazilian nuclear program has already spent $4.24 billion in investment plus $3 billion more in interest and has contracted debts with German banks. In order to finish the Angra II and III power plants, the program needs $2.78 billion, and if the jet-nozzle [proceding word in English] uranium enrichment process demonstration plant is included, it will need $1 billion more.

Brazil has already spent more than $7 billion and it will have to spend $10 billion to construct only two nuclear power plants at the record price of $5 billion each and a construction time average of 16 years. No nuclear plant in the world has taken so long to be built, and this fact is considered dangerous by the builders themselves, who fear for the security and integrity of materials. This reduction in the ambitious Brazilian Nuclear program means that Brazil will not hurry to invest $1.7 billion in a uranium-enrichment plant and nearly $300 million in a reprocessing plant because the National Commission of Nuclear Energy [CNEN] is investing money in the ultracentrifuge enrichment process, which has been mastered by several other countries but which they do not wish to transfer. This ultracentrifuge method is considered three times more expensive to operate than the jet-nozzle method and it consumes much more electric energy.

EMFA CHIEF DISCUSSES STATUS OF SPACE PROGRAM

PY121850 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Aug 86 p 18

[Text] Admiral Jose Maria do Maral Oliveira, chief of the Armed Forces General Staff (EMFA), yesterday said in Sao Paulo that no potential customer has yet expressed interest in using the rocket-launching base being built in Alcantara, Maranhao State, under the Brazilian Comprehensive Space Mission (MECB) [Missao Espacial Completa Brasileira]. This base is located near the equator, where the great centrifugal force from the earth's rotation will result in large fuel savings. Adm Oliveira believes, however, that Brazil will find customers and that it could make profits from this project, thus recovering part of its investment.

Adm Oliveira confirmed that good progress has been made in the Brazilian space program and that the launching of an experimental remote sensoring satellite by a Brazilian-made rocket, the Satellite Launching Vehicle (VSL), is slated for 1989. The satellite is being built by the National Institute of Space Research (INPE) and the VLS by the Aerospace Technology (CTA). Both INPE and CTA are located in Sao Jose dos Campos, in the Paraiba Valley.

According to Adm Oliveira, the Brazilian space program is based on the French model, which is less expensive and less sophisticated than the U.S. model. In his opinion, the Alcantara Base will be more attractive to international customers than the French base located at Kourou in French Guiana. Brazil also expects to sell its services and even remote sensoring satellites to Third World customers, "because our technology is better suited to Third World countries than to developed countries."

The EMFA chief said that, as is common in countries involved in space operations, the Brazilian space program has also brought a number of services of daily use that represent a form of technological spin-off.

Adm Oliveira said that the problems involving farmers residing in the vicinity of the Alcanatara Base will soon be solved. A few days ago he attended a ceremony at which land deeds were presented to farmers who are moving to other areas. Personnel from several ministries, such as that of Agrarian Reform, Culture, and Health, are working in the area "to guarantee coexistence without risks in Alcantara, a city that retains the look of the 17th century."

CNI REPORTS MORE ARRESTS IN ARMS CACHE CASE

PY130358 Santiago Radio Chilena in Spanish 2300 GMT 12 Aug 86

[Text] Security personnel seized a Chilean fishing ship in Coquimbo as part of the investigations carried out after the discovery of an arms cache in northern Chile. It was reported that several people were arrested in these new operations, increasing the number of arrests to 20.

The fishing ship Astrid-Sue was raided because it was said to be transporting weapons to the Carrival Bajo area. The National Intelligence Center [CNI] reported that between February and March 1986 Andres Pascal Allende traveled to Nicaragua to obtain guerrilla warfare training for 250 members of the Revolutionary Left [MIR] in the region of Chinandega. Once finished with their training, many of these persons traveled to Panama from which they planned to enter Chile, the CNI said. It is thought that at least 15 of them installed themselves in the Carrizal Bajo area.

It was officially reported that the cache found there was meant to be transferred to Santiago, Concepcion, and Temuco. The CNI said that the weapons and equipment were supposed to be transported on the afternoon of 14 August, taking advantage of the long weekend. Meanwhile, it was reported that new investigations have led to the arrest of several people, who, when added to the 6 already arrested and reported on in a press conference at the CNI headquarters yesterday, total 20. All the suspects are at the disposal of the Interior Ministry and remain at CNI quarters.

MIR SPOKESMEN ANNOUNCE OFFENSIVE TO START 15 AUGUST

PY121900 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1752 GMT 12 Aug 86

[Text] Buenos Aires, 12 Aug (NA) -- Two self-styled "officers" of Chile's Movement of the Revolutionary Left (MIR) have announced here that on 15 August the MIR will begin a "political-military offensive" that will include bombings and attacks against barracks, seeking to "accelerate the downfall of the Pinochet regime."

Speaking with an unmistakable Chilean accent, the two spokesmen identified themselves as officers Gilberto and Vania and gave NOTICIAS ARGENTINAS employees six pictures of presumed guerrilla training camps in Chile. They explained that the offensive will begin on 15 August "to mark the 21st anniversary of the creation of the MIR."

"The MIR is also getting ready to neutralize any military attempt to replace Pinochet with a more moderate Chilean general, " they added. They said that "there must be a revolutionary change" and that "even though the MIR agrees to a possible transition toward democracy, it will continue to struggle for the total independence of Chile."

They added that the offensive will include "a psychological campaign conducted at rank-and-file level to generate a favorable opinion of the armed struggle as a method to oust Pinochet." It will also include dynamite attacks against high tension lines, attacks against Carabineros barracks, and seizures in several Chilean regions. The spokesmen, two mid-level officers of the armed branch of the MIR, said that "the military training schools 'Ana Luisa Penailillo' and '21st Anniversario';" which are located "somewhere in the Chilean jungle," continue to "train the people's militias."

In a statement released in Buenos Aires, the first stop in a tour of Latin American countries that Gilberto and Vania will visit to publicize MIR activities, the two officers confirmed that the "Salvador Allende militias" have engaged in "self-defense actions" in Valparaiso and Vina del Mar.

The Chilean MIR, which is headed by Secretary General Andres Pascal Allende -- a nephew of former President Salvador Allende -- is carrying out negotiations for the creation of a guerrilla front with the Manuel Rodriguez Patriotic Front and other leftist groups "that support an armed struggle," the sources stated.

"The creation of a guerrilla front," they added, "forms a part of the overall struggle by the Chilean people for the overthrow of the dictatorial regime headed by General Augusto Pinochet."

They stressed that "the alternative of an armed struggle is valid, because the regime is implementing a bloody repression against the popular sectors, and this repression is increasing."

Moreover, they admitted that "the struggle must also be carried out in the political sector, and so the MIR supports the negotiations of the Democratic Alliance," which includes center-left and leftist parties.

Officers Gilberto and Vania handed out photographs that depict alleged training exercises of the popular militias in the "Ana Luisa Penaillillo" and "21st Aniversario" schools, which they said were taken by the RESISTANCE NEWS AGENCY [AGENCIA INFORMATIVA de RESISTENCIA].

They also stressed that "the MIR is preparing to prevent [words indistinct] with the intention of exchanging Pinochet for a more moderate general of the Chilean Armed Forces." They stated that "the change must be a revolutionary one," and that "even though the MIR will accept an eventual transition to democracy, it will continue to fight for Chile's independence."

APSI ARTICLE SAYS BURNED YOUTHS ACCUSE SOLDIERS

PY120256 Paris AFP in Spanish 1759 GMT 11 Aug 86

[Text] Santiago, 11 Aug (AFP) -- The magazine APSI which hit the streets of Santiago today, reported in its latest edition that the two young Chileans who were burned alive during demonstrations against the military regime of President Augusto Pinochet expressly charged the soldiers who captured them. One of the victims, photographer Rodrigo Rojas Denegri, 19 died after 4 days of agony while the other, student Carmen Quintana, 18, remains in critical condition, with burns covering more than 60 percent of her body.

According to APSI, the two youths were questioned in the hospital by Patricio Villaroel, the civilian judge who began the investigations, a few hours after the incident. APSI includes a copy of the minutes issued by the judge and the text of the photographer's remarks states: The uniformed soldiers had their faces painted, and after brutally beating me, they poured gasoline on me and set me on fire.

Rojas reported that he did not faint while he was burning, and that the soldiers, after putting out the fire with blankets, left him abandoned in a remote place, together with Carmen Gloria Quintana, who had been detained at the same time.

The young girl also told the judge that she was captured while she was escaping from a place where other boys had built a barricade on the street. She said: I was caught by the soldiers who threw me against the wall, pushed me back and forth, and pushed a rifle barrel in my rectum. They said I was helping build the barricades, and I told them that that was not true. Then two civilians arrived...and they took pictures of me and interrogated me. I was in the middle of the questioning when one of the soldiers, who was wearing a uniform, sprayed me with gasoline or some kind of fuel and set me on fire. I began to catch fire and screamed with pain...and since the fire did not go out, they wrapped me with a blanket...and I fainted, the student added.

APSI adds that, inexplicably this testimony has been minimized by Alberto Echavarria, the special judge designated later to continue with the investigations replacing Judge Villaroel. Echavarria also failed to question more than 10 people who witnessed the detention of the two victims, and finally accepted the official version that cleared the uniformed soldiers, the magazine reported.

Judge Echavarria claimed that the burning was accidental, and by the end of July transferred the case to the military court, after charging the platoon commander with certain criminal negligence in the treatment of the two youths.

CHARGES CHANGED IN TORCHING COURT MARTIAL

PY122226 Santiago Domestic Service in Spanish 1700 GMT 12 Aug 86

[Text] The court martial has changed the indictment against Army Lieutenant Pedro Fernandez. Originally he had been indicted by Judge Alberto Echavarria for involuntary manslaughter of Rodrigo Rojas Denegri and involuntary infliction of serious injuries against Carmen Gloria Quintana.

The court martial has partially upheld an appeal submitted by lawyers representing the families of the burned youths and changed the indictment to unnecessary violence resulting in serious injuries. The court martial adopted this decision by a vote of 4 to 1. The dissident vote was cast by Army representative Fernando Torres Silva.

The court martial ruling adds that the prosecutor in charge of the case will begin an investigation to determine whether crimes were committed in violation of the weapons control law on the occasion of the events that are being investigated. As is known, this case is in the hands of Judge Advocate Alberto Marquez Allison.

HOY: PINOCHET SEEKS TO BOOST OWN CANDIDACY

PY121716 Santiago HOY in Spanish 4-10 Aug 86 pp 6, 7

[By Ascanio Cavallo]

[Excerpts] Since honest admissions seem to be in fashion, some such admission was expected on 30 July. President Pinochet was scheduled to speak before some 3,000 women volunteer social workers at the Diego Portales Building. An admission was made about violence:

"I cannot take stronger measures," Pinochet said, "because I am inhibited by international problems created by the politicians who are severely slandering the country abroad." [passage omitted]

The speech delivered on 30 July has revealed the government's difficult situation, to the point that it has had to temporarily suspend some tactical domestic moves.

At the beginning of last week, it seems that Pinochet, in an apparent electoral strategy, would make some changes in the ministerial cabinet in order to abandon the current "administrative" stage to adopt a more offensive position.

At the Army Promotions Board meeting which began on Monday, it was taken for granted that a major general who has held civilian posts before would be given one of the key ministerial posts. This idea has apparently been postponed for a few days, or weeks, according to the time the government needs to assess the remarks made by U.S. Assistant Secretary of State for Latin American Affairs Elliott Abrams, remarks that sounded all the alarms at La Moneda Palace.

Abrams said loudly what other officials of the Reagan administration had said to the government privately: The deadline ends in October. Of course, Abrams used different words: "Apparently our decision on the vote (in favor of our IDB and World Bank credits) will depend to a great extent on how we view the human rights situation in Chile."

The decisions on the credits will be made in September and October. The Foreign Ministry's preliminary analysis indicates that Abrams' remarks refer less to specific human rights cases than to a general climate of "opening" or "progress in the transition period."

Abrams himself hinted that that was the exact meaning of his comments when he said that "we have a few carrots and few sticks available" and that "a flexible policy must be continued" to "encourage change."

The fact that the threat came from a government official close to Reagan, and not from Congress, was what caused more alarm at La Moneda Palace. (Although no one seems to dare talk to Pinochet about it), everyone in government circles is commenting on the fact that Pinochet's announcement of a campaign for 1989 has had devastating effects on relations with the United States.

Nevertheless, planning is continuing for the campaign.

One of the centers of that campaign is the General Secretariat of Government. Minister Francisco Javier Cuadra has publicly recognized that changes are being made, but only the actual changes in the Civilian Organizations Directorate clearly reflect the real purpose behind these changes.

Changes in all the secretariats (Dinacos [Government Social Communications Network], Youth Secretariat, Women's Secretariat, Cultural Relations Secretariat, and Unions Secretariat) have pushed the independent Democratic Union (UDI) out of an important position of power.

The quiet battle for control of some of these posts (such as the Youth Secretariat from which Ignacio Fernandez was removed, despite his efforts to retain it) have reached an unprecedented level and practically implied an "attack" against the UDI. What is known about this "attack" indicates that Pinochet himself ordered the operation (some find a relationship between this and the reference to "requitted love" made 2 weeks ago), yet taking care to preserve his friendship with the UDI with the dispensation of new mayoralties and invitations to lunch.

He made his moves out of the conviction that a team of people close to nationalism and Catholic integralism would be a guarantee of loyalty and work looking toward 1989. Instructions are precise: The secretariats will lead, along with the women volunteers, the efforts to obtain support and to organize a demonstration in support of Pinochet. To prepare that demonstration, discreet meetings with chiefs of public services began last week in order to guarantee a massive turnout for the demonstration that will be held on 10 September.

Some mayors were also called in for the same purpose after the Secretariat General of Government conducted a preliminary screening based on a questionnaire given to the mayors in a meeting 2 weeks ago.

At the same time a propaganda campaign aimed at extending the terms of the regime is being outlined. It has been learned that this outline is being prepared by TVN [not further identified] Director Manfredo Mayol and that it will be launced in two successive phases: The first focusing on government accomplishments and the second on enhancing the figure of Pinochet as the irreplaceable leader of the process. However, the most substantial part of the campaign is now centered on the "mass demonstration" on 10 September. Logistical services (transportation, schedule accommodation, permissions) have been offered to the most important public offices in Santiago.

What would be the purpose of the demonstration? Certainly, it would not be to convince the opposition, or the world, although it may help to prop up a little the untenable position of the Chilean ambassadors abroad. Thus, only the Armed Forces remain as the target. More precisely still, the target will be the Government Junta and some Army officers who share the Junta's apprehensions.

This is, in fact, the sector that heard the most urgent message sent from the United States. The message was delivered personally by the assistant to Elliott Abrams, Robert Gelbard, who also told it to a small group of Army generals with whom he met. [passage omitted]

POLITICIANS REACT TO SENATOR HELMS' SPEECH

PY121520 [Editorial Report] Santiago Radio Chilena in Spanish in its 1700 GMT newscast on 11 August carries reactions by three Chilean politicians to the speech that U.S. Senator Jesse Helms delivered to the U.S. Senate on 7 August. Social Democracy President Rene Abeliuk said: "I believe that excessive attention is being paid here to a man who is laughed at in the United States and who represents the most reactionary sectors of that country. Helms believes that those who do not follow his line are communists and leftists."

He added: "This man has supported Somoza, the apartheid system, and Mr Garcia Meza, who is an associate of cocaine traffickers in Bolivia. What else can be said of Helms? We must not waste more of our time. I must, however, add that if Mr Helms is the defender of the Chilean people, well we will apply the saying; tell me who are your friends and I'll tell you who you are. I think that the worst thing that this government could do is to openly make believe that, or show that, it has a great friend in Mr Helms, because with a friend like him, who needs enemies."

Radical Party President Enrique Silva Cima stated that Senator Helms proposes the denial of democracy. Helms' ideas are simply a repetition of the permanently sustained concepts of President Pinochet when he accuses all those who oppose his government of being Marxists or Leninists.

Christian Democracy [DC] Vice President Juan Hamilton said that Helms had defended the worst Latin American dictatorships, "among which are those of the Somoza family in Nicaragua and President Stroessner in Paraguay. Helms is proud of being a personal friend and public defender of Colonel D'Aubuisson, who created the death squads in El Salvador. He repeatedly expresses his support for the apartheid regime in South Africa, and he has supported the military dictatorships in Bolivia, Brazil, and Argentina, even during the Malvinas war against the United Kingdom. Such a background demonstrates that Helms belongs to the extreme right, an unusual product of the U.S. community, but one which is at the same time the result of an open, nonexclusive, and pluralist democracy in which people like Mr Helms have the right to express themselves and occupy a public post. It is not strange that with such a background Mr Helms is defending Pinochet's government before the U.S. public."

Hamilton added that there is a relationship between Helms' former causes and long-time friendships, and his defense of Pinochet's regime. In order to defend Pinochet's regime, Helms must necessarily distort the Chilean reality just as he does. The DC leader added that through their representatives, the American people are in favor of a peaceful and rapid transition to a real democracy. Helms has contributed to making Chileans understand better the position of the U.S. Congress regarding Helms' defense of Pinochet's regime.

UDI CALLS FOR END TO EXILE, EXCEPTION LAWS

PY120201 Madrid EFE in Spanish 1709 GMT 11 Aug 86

[Text] Santiago, 11 Aug (EFE) -- The right-wing Independent Democratic Union (UDI) feels that the progress made by the process of institutional normalization in Chile "has made exile meaningless." This is stated in a communique released by the UDI. After analyzing the situation in Chile, its background and prospects, this political group submitted 24 proposals dealing with economy, politics, and social and cultural affairs.

According to the latest official figures there are 3,717 Chileans who cannot return to their country. Among other things the UDI calls for "a prompt and total end to exile." According to the UDI the exile that was applied after [11 September] 1973 "was a painful but inevitable consequence of the virtual civil war into which the Marxist government deliberately plunged Chile between 1970 and 1973." The 11 September 1973 a coup d'etat overthrew the constitutional government of socialist President Salvador Allende and allowed the current military regime, headed by General Augusto Pinochet, to take over power.

However, the UDI believes that the Chilean Constitution proposed by the military government and approved in a plebiscite 6 years ago, does not deny the exiles "the right to live in their own fatherland," and has asked for the end to exile. The UDI communique states that "this will help heal the wounds and be a visible sign of progress toward full democracy, which is obviously incompatible with the maintenance of exile."

The other proposals of the right-wing group have to do with the need for a firm movement toward full democracy in keeping with the guidelines of the 1980 Constitution, the streamlining of procedures aimed at amending the Constitution for the period beginning in 1989, and the strengthening of political pluralism. The UDI also proposed putting an end to the indefinite extension of exceptional laws and enhancing the role of the Armed Forces in Chile's future democracy.

NEWLY APPOINTED CABINET LISTS WORK AGENDA

PA130129 Paris AFP in Spanish 0329 GMT 12 Aug 86

[Text] Bogota, 11 Aug (AFP) -- The ministers who will serve in the Cabinet of the newly installed Colombian president, Liberal Virgilio Barco Vargas, tonight previewed the program for the country in an interview which was broadcast nationwide over radio and television and was organized by the CARACOL Radio Network and its chief news editor, Yamid Amat.

Government (interior) minister Fernando Cepeda explained that the chief of state is preparing a message to Congress which will set the groundrules which apply to the government-opposition system following the refusal of the Conservative Party to collaborate with his administration.

The decision forced Barco to appoint an all-Liberal cabinet, breaking a 30-year tradition which is embedded in the Constitution and mandates that equitable participation be given in the administration to the party that wins second place in the presidential elections.

For his part, National Defense Minister General Rafael Samudio reasserted that Colombia's pacification requires political-military handling, which calls for offering the hand to those who have abided by the truce agreement and for fighting with the full rigor of the law those who refuse to return to normal life.

After categorically rejecting the likelihood of accepting foreign military assistance to bolster peace, Gen Samudio hinted that an Armed Forces representative may be present in the peace talks with the subversives, contrary to what occurred during the previous administration.

New Foreign Minister Colonel Julio Londono, retired, announced that President Barco will travel to New York and Washington in September to address the United Nations and act as Latin America's spokesman before the IMF and World Bank. The deliberations in Washington will be chaired by Colombia.

It is quite likely that President Barco will meet with U.S. President Ronald Reagan, he added.

The quest to protect the security of the community, judges, and magistrates will be the centerpiece of Justice Minister Eduardo Suescun's efforts. Suescun stressed that "the dignity of justice must be restored" because "the judiciary seems to have ceased functioning as a government branch during the last 30 years."

He added that during the initial phase of his tenure, he will not take up matters already dealt with by his predecessors, such as the reforms to the current extradition treaty with the United States, because he feels that it is more urgent to establish real justice in Colombia.

Regarding the economic woes, Finance Minister Cesar Giviria emphatically asserted that the chief problem is the exorbitant growth in interest rates.

To resolve it, he said, measures will be enacted to curb the currency expansion in order to keep inflation from skyrocketing. Costly programs are not to be expected in the public works area because there are no resources, said Public Works Minister Luis Fernando Jaramillo, who intends to give priority to the railroads and the state-run Colombian Ports Enterprise.

Public works programs will focus mainly on the underprivileged sectors of the population in order to eradicate destitution, he added.

For his part, Agriculture Minister Jose Fernando Botero will strive for a speedy and adequate marketing of agricultural-livestock products to prevent increases in the cost of living.

The struggle against unemployment will be Labor Minister Jose Name Teran's main task. He is already considering some initiatives, such as establishing a collectors system in the mass transit system in big cities, which will provide jobs to some 100,000 people and will ensure better treatment for users.

Regarding education, Minister Marina Uribe de Euse, the only woman in the Barco cabinet, said her main concern will be to pay the teacher's salaries promptly.

Therefore, she will immediately try to conclude an arrangement with the Finance Ministry and the National Treasury "to make sure that never again will there be delays in the payment of the teachers' salaries." Such delays have been the source of many conflicts and strikes in the past.

Guillermo Perry, the new mines and energy minister, stressed that he will attach priority to increasing oil prospecting and announced that he is considering a policy of association with foreign companies.

"Although it is true that the prices of Colombia's two leading export items other than coffee, oil, and coal, have dropped during the last few months, it is to be hoped the situation will improve," he noted.

Finally, Communications Minister Edmundo Lopez said that he will undertake a sweeping review of [the system for] handling radio and television programming, which is rented to private citizens under contract. He asserted, however, that this communications media will not be used for political retaliation.

The other two ministers, Economic Development Minister Miguel Alfonso Merino and Health Minister Cesar Esmeral, did not participate in the interview because they had been appointed only 24 hours before.

BARCO NAMES OSSA ESCOBAR PEACE PROCESS ADVISER

PA121609 Bogota Television Service in Spanish 0000 GMT 12 Aug 86

[Text] Although there is a new government, the intention to consolidate the peace process remains irreversible. President Barco has appointed an adviser on these matters. General Rafael Samudio, minister of national defense, does not rule out the possibility of a member of the military becoming directly involved in the dialogues or some other form of rapprochment with the subversives. More on this by Alvaro Osorio:

[Begin recording] [Osorio] There will be no further references to the Peace Commission. The person who will take charge of continuing this process is Carlos Ossa Escobar, adviser for reconciliation and rehabilitation. Ossa Escobar's office will be at the presidential Palace. He asserts that he will not be starting from scratch; many of the Peace Commission's experiences will be taken into account. The intention is to discard much of the dialogue and move to concrete action.

The mission of the adviser on reconciliation will be to help the government implement development plans in the violence-ridden areas. Ossa feels that the progress made during the past administration was very important: investments must be made now in the areas of guerrilla influence.

The adviser will assume office this week and plans to travel to Casa Verde to brief the FARC general staff on the new dynamics of the process. What will happen with the guerrilla groups that did not sign the peace agreement?

[Ossa] (?I have already said) that the government will not promote dialogue with them so long as they continue assaulting people, blowing up police stations or barracks, using terrorist tactics. They must realize that they are more isolated every day. I would ask them to please stop and realize that bloodshed is illogical; that the government is committed to making reforms; that they should heed this call. If they wish we can engage in dialogue, but after they have muzzled their rifles. [end recording]

The Peace Commission is now a thing of the past, and an adviser has emerged. In the violence-ridden areas the government plans to make large investments and reforms, subject to approval and enactment by the Congress of the republic.

FOREIGN MINISTER QUALIFIES CONTADORA PARTICIPATION

PA122006 Hamburg DPA in Spanish 2313 GMT 11 Aug 86

[Text] Bogota, 11 Aug (DPA) -- Colombia will continue to be part of the Contadora Group "so long as the Central American countries recognize the political value of its mediation efforts," Foreign Minister Julio Londono Paredes has said.

The Contadora and Central American foreign ministers will soon meet to discuss the situation and decide whether there is sufficient interest in continuing Contadora's efforts to prevent a generalized conflict.

"If the countries involved in the conflict do not make the decision, it will make no sense for Colombia to insist on participating," the foreign minister said in an interview with the CARACOL Radio Network.

SOVIET OFFICIAL COMMENTS ON BARCO MEETING

PA130223 Madrid EFE in Spanish 0132 GMT 13 Aug 86

[Text] Bogota, 12 Aug (EFE) -- Aleksandr Mokanu, deputy chairman of the Presidium of the USSR [title as received], who met today with Colombian President Virgilio Barco, announced that the two countries will increase their relations.

Mokanu, who represented his government during Barco's inauguration on 7 August, said at the end of his 7-day visit to Bogota that the two countries will increase their commercial, cultural, technological, and athletic relations.

Mokanu talked today with President Barco at the Narino Palace, the presidential house, for more than 1 hour and 30 minutes, accompanied by Leonid Romanov, USSR ambassador to Colombia, and other high-ranking Soviet officials. During the meeting, they discussed matters related to world peace and disarmament. They also analyzed the Contadora Group, a spokesman said.

They talked about the foreign debt in developing countries and the normalization and institutionalization process that Colombia will implement in some regions to achieve national reconciliation.

After his meeting with President Barco, Mokanu said that the meeting was "an honest and friendly dialogue."

FRG'S WARNKE VIEWS TIES WITH COLOMBIA, L.A.

PA121455 Hamburg DPA in Spanish 2045 GMT 10 Aug 86

[Text] Bogota, 10 Aug (DPA) -- FRG Economic Cooperation Minister Juergen Warnke said in Bogota that his country favors repeal of the statute on capital (or Decision 24 of the Andean Group), "a clause that curbs foreign capital investments in agricultural industries and tourism."

Warnke, who is also a World Bank governor and vice president of the Committee on European and International Cooperation, represented his country at the inauguration of Colombian President Virgilio Barco.

Warnke told DPA that "for the FRG, Colombia is one of its most important partners in economic relations. We support and encourage investments in this country and are prepared to increase them." He recalled that the FRG is the top buyer of Colombian coffee. Warnke noted that in 1985 the FRG purchased more than half the coffee beans Colombia exported, and in 1986 "we have already pruchased more than one-third of the coffee exports due to the drop in Brazilian coffee."

"So long as the Andean Pact decree remains in effect, our greatest contribution is maintaining an open market for Colombian imports. For that reason, the FRG's purchases from Colombia last year exceeded $275 million," Warnke remarked.

In addition to attending the Barco Vargas inauguration, Warnke signed an agreement with the Colombian Government on FRG aid following the Armero tragedy, the village buried by the 13 November 1985 eruption of the Arenas volcano on Nevado del Ruiz mountain. This agreement for DM 4 million is in addition to the DM 20 million already donated.

Regarding the stability of the Contadora Group, which received international attention during the installation of the new Colombian Government, Warnke said that "this gathering in Colombia has reaffirmed the Contadora process, which was imperiled."

"The FRG has always stated its interest in closer ties between the European Community and Latin America and with the peace process in Central America," Warnke said. "Therefore, we view Spain and Portugal's entry in the EEC as something positive, helping establish a direct relationship with Latin America," he said.

CONSERVATIVE PARTY NAMES NEW BOARD OF DIRECTORS

PA130104 Bogota Television Service in Spanish 0000 GMT 12 Aug 86

[Excerpts] The Conservative Party held its national convention to draft guidelines and choose its nine-member board of directors. [passage omitted]

The following party leaders were chosen to form the party's board of directors: Valle Department Senator Rodrigo Lloreda Caicedo, Cundinamarca Department Senator (Alvaro Leiva Duran), Antioquia Department Senator J. Emilio Valderrama, Bolivar Department Senator (Rodrigo Barraza Salcedo), Atlantico Department Senator (Roberto Herlein), Caldas Department Senator (Rodrigo Marin Bernal), and Antioquia Department Senator Alvaro Villegas Moreno.

BRIEFS

ANTIDRUG CAMPAIGN -- National Police Director General Victor Alberto Delgado issued a report summarizing the actions carried out by the National Police during the past 4 years in its battle against organized crime and drug trafficking. The report states that since 1982, 16 million KG of marijuana, 38 tons of cocaine, and 14 tons of cocaine base have been confiscated, and 11,600 drug traffickers have been arrested. [Summary] [Bogota EL SIGLO in Spanish 5 Aug 86 pp 1, 6 PA]

DAILY STOPS CIRCULATION -- Cali, 5 Aug -- EL PUEBLO, the liberal daily, will stop circulating tomorrow because of critical economic problems. EL PUEBLO spokesmen announced that this is a temporary closre. [Summary] [Bogota EL TIEMPO in Spanish 6 Aug 86 pp 1A, 6A PA]

FEBRES CORDERO ADDRESSES REPRESENTATIVES

PA110446 Quito Domestic Service in Spanish 2330 GMT 10 Aug 86

[Annual address by President Leon Febres Cordero to the Chamber of Representatives -- live]

[Text] Mr Vice President of the Republic; Mr President of the Congress [shouts]; Mr President of the Supreme Court; Messrs Ministers of State; Papal Nuncio, dean of the diplomatic corps; Your Excellencies Ambassadors and heads of missions of friendly nations and international organizations; Mr President of the Court of Constitutional Guarantees; [shouts] Mr President of the Supreme Electoral Tribunal; Mr President of the Tax Court; Messrs Commander Generals of the Armed Forces and the National Police; high government officials; Archbishop of Quito; Messrs national and provincial deputies; civilian, military police, and church officials; distinguished ladies; gentlemen; Ecuadoran people [shouts]:

After a year of drama and paradoxes, in fulfillment of my constitutional duties, I come before you and my fellow countrymen to report on developments in the Republic which have by now become part of that collective memory that is history. This year must lead to guided reflection and most of all must reinforce our faith in the country's virtues, increase our commitment to work, and reaffirm our trust in the lofty ideals to which Ecuador and our people are called. [shouts] As the world is heading... [interrupted by crowd] towards the end of this contradictory 20th century, it has recorded [words indistinct] on the entire surface of the planet. The almost cosmic chess game of the superpowers continues to be played, and the gap continues to close between technology's prodigious progress -- which carries within it the seeds and nuclear warheads of its own destruction -- and the secret anguish of each individual who ponders in the deepness of his inner self the same questions which summarize the fathomless enigma of human nature.

The American setting, always vital and vibrant, was marked by two basic issues: the tempestuous windstorm of the economic crisis, in which the problems of the foreign debt and the injustice of the trade exchange terms stood out sharply, and the undefeated desire for democracy was manifested during the realization of the legitimate electoral process, in the multiform struggle against terrorist and drug trafficking, and with the blow of unjustifiable coup attempts at a time when the nation [applause] was convinced of the irreversibility of its constitutional process. With this background, Ecuador has enriched its institutional experience during the year I am describing.

The obvious successes as well as the conflicts and controversies have meant [words indistinct] of authentic democracy, of what democracy is, what it implies, and the reasons for which even supreme sacrifices are justified to preserve it and perfect it. [shouts]

Economically, the first half of the exercise has confirmed the country's possibility of achieving an authentic and dynamic development when it is guided in a realistic manner, with good faith and efficiency. The latter part of the exercise has demonstrated that not even the worst problems that have emerged from factors over which Ecuador has no control are enough to bend the endurance of the alliance between a government whose pulse is not altered when it confronts a storm and when it decrees essential adjustment measures, and a patriotic and intuitive people, irrevocably determined to overcome any adversity. [shouts, applause]

It is impossible to understand and effectively analyze the period this report is referring to if we forget the two phases I just mentioned. The hinge around which the circumstance swung was the violent drop in the international oil prices between the end of January and the first half of February 1986. Due to the difficult situation in which I found the country in August 1984 [as heard], 1 year ago, I and all of the Ecuadoran people can attest to the fact that a healthy recovery was taking place. This process was strengthened during the following months. Within close circles, the notable success of the signing of the documents to renegotiate our debt with the foreign private banks was unanimously acknowledged, because in terms of interest payments alone it meant a savings of $200 million and [applause, chants] specific agreements with the governments of the countries that form the so-called Paris Club.

The notable seriousness of the Ecuadoran people regarding their commitments, the discerning handling of the country's economic policy, and the people's cohesive effort were weighed by the international financial community, which placed the country in a situation that it would be improper to describe as privileged, but which undoubtedly was encouraging. By the end of 1985, production had increased by 3.8 percent, a figure which not only surpassed population growth, but, by some 50 percent, the level predicted by previous analyses.

The agricultural sector showed new strength; manufacturing changed its previous trend towards a depression; we began looking for oil in the Amazon area and in our territorial waters; mining activities resumed; construction progressed, and infrastructure projects could be seen in all the provinces of the country. The public sector's consolidated credits were not only balanced but showed a surplus equivalent to 1.5 percent of gross internal product, the first time this has happened here. Exports increased and the balance of payments showed a positive credit of $25 million.

The collapse in oil prices was a harsh blow. Various errors coupled with insufficient attention given to one of the fundamental tasks for our country, the diversification of exports, have created almost suffocating dependence on foreign sales of hydrocarbons. Ecuador obtained $2 of every $3 dollars and almost half of its fiscal revenues from foreign sales.

In only 3 weeks, prices plummeted from $27 to $10 a barrel. Since that time, prices have varied but have not gone above the $18 mark. During the last week, prices dropped below $9. This is the lowest figure in 13 years. The reduction in foreign currency will exceed $1.1 billion and the reduction in fiscal revenues some 55 billion sucres. In other words, this is a problem which because of its actual and relative proportion, is unprecedented in Ecuador's 156 years. It is not similar to any event of the past century because of the weak ties that existed in that era with international markets. It is not even similar to the collapse of cacao production during the 2d decade of this century, to the depression of the thirties, or even to recent weather changes often mentioned as part of a vain effort to hide blameworthy omissions during this decade.

Therefore, the move to reduce our production growth target as part of the realistic and adaptable planning efforts conducted quietly by the National Development Council should not dismay anyone. It is unfair to protest the severe austerity measures imposed on government spending, to place inordinate demands on the system, and to demand that projects totally out of tune with reality be executed. Fairness is acknowledging that although the people have had to live with the effects of the problem I have outlined, its impact has been milder than expected and than certain obstinately sectarian sectors, more interested in seeing the government fail than the nation fare well, were ostensibly awaiting.

This was possible thanks to two factors: first, the economic recovery which our efforts since August 1984 made possible; and second, the enlightened and realistic way in which the executive managed the crisis since it began. Adequate judgment helped alleviate the effects of diminished foreign exchange and fiscal revenues. [applause] This administration has handled the flow of foreign monies intelligently, expedited paperwork for the disbursement of funds in already concluded soft loans, obtained a loan from the Andean Reserves Fund to boost our balance of payments situation, negotiated and virtually secured release of an advance on our oil export fund from the international commercial banks, obtained running, stand-by [preceding word in English] credits, and an up-front, crossover, short-term loan the U.S. Government granted Ecuador in a commendable, tangible recognition of our efforts in confronting such dramatic crises. [applause]

The most recent and continuing drop in oil prices necessarily aggravates the crisis, imposing on all Ecuadorans, particularly those in leading positions in government, the need for concerted, responsible, and generous work. The harm that this emergency may inflict upon our society will not simply be blamed on an international economic system against which epithets can be hurled. The people will save for government leaders the sharpest criticism concerning their blunders or the sins of omission that failing to cooperate actively and fully to reach the best possible solutions entail. [applause]

Messrs legislators, without disregarding the burden of the duties which are assumed by the president of the republic and his closest aides, you cannot evade your own responsibility to legislate seriously, judge things objectively, and analyze with a constructive mind the suggestions presented by the executive branch at any given moment with the intention of alleviating the grave problems which affect the Ecuadoran people. [shouts, chanting]

I would not be wholly fulfilling my duties if I simply reviewed the conflict which the international oil crisis has provoked in our country: and pointed out the measures adopted by the government with the intention of solving this grave problem. It is necessary to mention -- at least briefly -- what the situation we face represents at the world level. Following a lengthy period of low and virtually fixed prices, oil prices began to rise in 1973. The movement was led by the OPEC member-countries, which then controlled two-thirds of the market.

This policy provoked a strong crisis in many states and promoted the development of alternate energy sources as well as increased production by non-OPEC member-countries. Eventually, this organization was left in control of less than half the world market. This situation was used by various forces and nations interested in provoking a decrease in oil prices. OPEC member-countries, particulary Saudi Arabia, Kuwait, and the Arab Emirates, then decided to flood the crude oil market and meet increasing demands -- given the magnitude of their reserves and low production costs -- hoping that a bottoming in proces would eliminate non-OPEC producers whose costs are significantly higher.

Whatever the goals and reasons for this modification in the market, some facts are clear: The oil-producing countries are suffering gigantic damages; those located in the Latin American area report overwhelming losses. We have already described what is happening in Ecuador; in Venezuela, the drop in revenue is calculated at $5 billion; Mexico's loss is estimated at $11-12 billion. Likewise, overall losses among OPEC-members have risen to $40 billion. The most relevant historical fact is that the largest percentage of resources are being transferred from developing countries which export oil to industrialized countries, whereas only 6-8 percent of the overall losses incurred by the former reaches poor nations which import oil. [sentence as heard]

Thus, the main phenomenon in the sixties was a transfer of resources from industrialized and developing states which consumed crude oil to countries which exported crude oil; our current phenomenon is exactly the opposite. [applause, shouts, chanting]

The Latin American debt is close to $400 billion and is one of the heaviest burdens in our history. Ecuador managed to renegotiate its debt prior to the drop in oil prices; the payment deadline was extended 12 years, a 3-year grace period was obtained, and the payments were scheduled so that they would not be more than 30 percent of overall volume of our exports -- based on 1985 figures. This was the least onerous renegotiation result ever achieved in this hemisphere. [applause] However, however [repeats himself] what happend with the crude oil and the subsequent reduction in revenue income -- for an amount equal to or even slightly larger than the payment of our credit obligations abroad -- has noticeably altered the picture, because these phenomena virtually represent a return to the renegotiation terms signed by the previous government, by which two-thirds of the revenues obtained from exports were consumed by the foreign debt payments.

Although the reduction in the price of oil aggravates the foreign debt problem, the financial effect remains the same: Ecuador can no longer continue living on only one-third of the foreign exchange acquired through its exports.

The Ecuadoran Government has frankly and clearly presented these realities to the credit banks, creditor-countries, and to the international financial community in general. Obviously, if during 1986 the oil prices do not return to levels which, even though they may not reach the stable price of $25 per barrel, at least surpass the current low average, we will have to make the necessary adjustments so that our country may be able to maintain its rate of growth, modest as it may be, and simultaneously meet its foreign credit commitments. [shouts, chanting]

We do not advocate formulas which imply ignoring the debt we have acquired. However, I also state that it is physically impossible to subject a nation to the [word indistinct] of living and working exclusively to pay an international financial obligation without respite, hope, and the promise of a tangible development. [applause] Consequently, new alternatives have been analyzed and will continue to be sought: [word indistinct] of renegotiation, new credits, and others that may be even more drastic and dramatic to implement the alternative that most effectively protects the highest interests of the Ecuadoran people and their future. [applause, shouts]

As I have said on many occasions, and both the foreign and finance ministers have reiterated, the foreign debt problem is not an exclusively financial problem. Now more than ever we must warn that the survival of Latin America depends on the solution of this problem. It is necessary for the international community to realize with utmost clarity that there is no more time to lose. If the foreign debt problem is solved satisfactorily, Latin America will have a chance to enjoy full democracy, progress, and harmony. If (?on the contrary) an adequate solution is not found, each one of the governments and their respective peoples will find other ways to survive, even though those paths pull the countries in the region away from many mechanisms for trade and cooperation.

One could say that the foreign debt drama is the drama of continuous proletarianization and sinking of all of Latin America. The international community -- particularly the developed countries that are undoubtedly benefiting from the transfer of resources from the oil-producing countries -- must accept their serious historical and equitable responsibility by assuming part of the necessary and urgent efforts so that 300 million Latin Americans can find formulas for progress and healthy cooperation. [applause, shouts, chanting]

If the solutions to the problem are postponed, it is believed that the problem can be solved by financial experts sent by the international banks, month by month Latin America will increasingly become a continent of great frustrations.

Perhaps no other country in America as Ecuador, or any Latin American president as Leon Febres Cordero can speak with such authority, [shouts] ... because no country as Ecuador, and no president as Leon Febres Cordero has so systematically sought methods of solution that are healthy, viable, practical, honorable and stable.

It is not too late. The international community must commit itself to a rapid, just, and effective solution. The Latin American governments must correct the mistaken policies that led to a crushing indebtedness, that exhausted the productive systems, that increased the bureaucratic expenditures to unnecessary levels, and scared away the venture capital. If there is no coordination of our mutual responsibilities our formulas may not be formulas for a solution, but they will unquestionably be elements of hope for the anguished people to which they and their governments will cling regardless of the diversity of their political leanings. [applause]

Our work has been unceasing. Within the economic picture that I have described, the government has carried out a year's labor demonstrated in projects incomparable in our history, in number, scope, and economic, social, and cultural importance.

The administrative apparatus has a strict obligation to be efficient and honest, and to offer dynamic service to the citizens who finance and support it. These are the objectives of the debureaucratization plan and other initiatives of administrative and general development. Specifically, the constitutional reports of the ministers and officials of the various government institutions point out the achievements, current projects and initiatives that are being implemented with fervor and patriotism throughout Ecuador.

This is why I will limit myself to pointing out the master guidelines for the work of the executive branch, mentioning some finished projects that exemplify and demonstrate them. The first is the abiding humanitarian commitment aimed at meeting in such a [word indistinct] way the basic needs of the Ecuadoran man, beginning with his physical sustenance, material needs and health so that in a peaceful environment he will be an appropriate agent for the development of his family, his country and himself.

That is the reason for the fervor of those noble and exciting national campaigns that, headed by the first lady, drew the unanimous support [chants] of thousands of Ecuadoreans who, moving through the neighborhoods and countryside of the coast, the Andean highlands, and the Amazon region to the Galapagos Archipelago, defended our main resource, our children, from the most common diseases through mass vaccination. [applause, chanting]

That is also the reason for the tenacious work for free medicine for the children of poor families. I have been proposing such a program ever since I held a congressional seat. Insults and demagoguery prevented the establishment of such a program at that time, but having received the highest civic office from my fellow countrymen, the least I could do was work to implement such a program. The financing requires a system closely linked to social justice, supported by taxes paid by the wealthy when they consume luxury or nonessential goods. Complex and precise studies were carried out to determine the operational structure, the regulations, and the technical characteristics of the program. The program is definitely underway, signifying the planting of a seed whose best fruit will be harvested through the strength and potential of future Ecuadoran generations.

At the same time, the products for the people's generic medicine program are arriving in the country. Distribution will start in September and it will generate a significant drop in prices. This represents one of the most important social achievements for our people.

The human being is shaped through the educational process and manifested through expressions of culture. One of the basic goals of my government is the complete development of technical education, an antidote against many deplorable failures which should be blamed on a traditional and decrepit system. Technical education is a resource which will improve the possibility of employment for thousands of Ecuadoran youths, offering the country capable and creative mid-level professionals, efficient protagonists for the many tasks required for the productive development of the nation. In its first stage the program included 15 agricultural and industrial schools strategically located throughout the country. The second stage will be directed toward 41 additional schools [shouts] and encompass new efforts essential for the total success of this initiative.

At the same time, the government has promoted sports because of the high individual and social values involved. Last year it invested 1.72 billion sucres in infrastructure and culture. It completed the preparation of a basic tool in the proposed book bill, now subject to your analysis, members of the legislature. In addition, the necessary modifications have been implemented so that the national fund of culture may start to operate.

The most needy sectors of the population have been the subject of much concern. Many tasks are part of an unavoidable effort to assist the people from the Guayaquil suburbs. The paving of 400 blocks and 80 km of urban roads is just one among the many other tangible examples of the magnitude of the task we have started. At the same time, we are implementing emergency improvements to provide essential public services for Quito's surburban areas. In the same direction, new standards and services to promote crafts have been included with maximum emphasis.

The establishment of obligatory agriculture insurance -- which by providing benefits to a large number of our brother peasants triples the amount of all those who are currently members -- makes possible the exercise of authentic human rights and gives meaning to the constitutional principle of equal rights in the relentless struggle against inflation. [crowd shouts slogans] In addition to other pernicious consequences, the worst damage caused by uncontrollable inflation is that it worsens the injustice regarding the distribution of wealth. It makes the rich richer and the poor poorer. Therefore, based on my solid commitment to the people and the prevalence of social justice, I have not surrendered nor will I surrender to inflationary pressures. From the spiraling rise in prices when I was sworn in, we have been able to reduce inflation to 28 percent in 1985. Moreover, the research and technical studies show that by 31 July 1986 inflation has been reduced to 18.9 percent. This is an undeniable sign of the discipline on the credit, the ordered and coherent management of the fiscal and monetary policies, and the noticeable agricultural recovery.

The agricultural recovery is another one of the leading indicators of the government's efforts. What has been accomplished represents one of the most meaningful transformations of this century. By changing an absurd trend, Ecuador is again what it has really always been: a farming country. [shouts] This has been a tireless effort which encompassed wise planning, guarantees of private property complying with social responsibility, credit, technical assistance, innovations in marketing and irrigation, and which has resulted in an increase in production. Now that domestic consumption needs have been satisfied after many years, we have surpluses of rice, hard corn, and beans, and the sale of these products to other countries will be encouraged by the fact that the dollars coming from such operations can be freely negotiated in the currency market. [applause]

I do not hide the legitimate pride I have in my government for being the first to seriously try technically and creatively to overcome a grave inequity which has burdened Ecuadoran progress: that is the enormous and unjustified distance beween the producer and the consumer. Thanks to the produce market [bolsa de productos] and to the related measures that were adopted, the double standard and profound injustice have been eliminated. In these, the peasants received low prices in exchange for their work and sacrifice, and which proved detrimental to their productive effort: the consumer ended up paying excessive prices for necessities. At the same time, the forest plan [plan bosque] has financed the reforestation of more than 20,000 hectares which helps to increase jobs, and allows more goods to be available. This will protect the environment; the common stock of all Ecuadoreans, present and future generations. Meanwhile, efficient methods of farming research [cheers] will increase performance, make it possible to compete in international markets, diversify our exports, and free us from the choking dependence on oil. [cheers]

In view of the country's condition, simply the improvement in farming means a gigantic step forward and the strict adherence to another of the government's fundamental goals: The harmony and balance in the development of the different geographic areas and the various economic sectors. With the same intention much more has been accomplished. Unquestionable proof is the special and sectorial course taken by the Ecuadoran Development Bank whose loans increased by 69 percent. The work of regional organizations and the roadbuilding effort which is close to 4,822 km, with special emphasis on access roads, not only permits produce to be transported to the consumer centers, but becoming real tendons of Ecuadoran integration. An integration, that removes us from confrontations and becomes strong and positive collaboration, by overcoming antagonisms and mistrusts, and basing itself on justice and the most strict and severe obedience of the law, brings together in tangible solidarity the heads of production, workers, businessmen, administrators, and researchers -- united together with a love for the fatherland and an invincible desire for progress. This is briefly the basis of our labor policy. This is why salaries were raised 1 January 1986 in a way that would compensate for inflation but that could be really afforded, without causing fiscal bankruptcy or the bankruptcy of private business, which in the end means unemployment for Ecuadoreans. [cheers, applause] This is why more than 100 minimum wage commissions have been created. The formation of labor organizations has been stimulated, dozens have received approval. Collective labor bargaining has been boosted, resulting in fewer labor conflicts, despite the generally difficult conditions of the first half of the year. Due to its increasing domestic integration Ecuador has managed to project itself internationally. It is well known that our policy on this subject rests on solid principles of justice and law. Ecuador seeks frank and friendly relations with all the countries of the world without exception. It takes great care to observe extreme consistency in what we think, say, and do. It discovers international relations as a method of common and dynamic development. During the time which this report covers, I made three important trips outside Ecuador. I visited Venezuela, the Dominican Republic, and Puerto Rico at the end of 1985, thus intensifying economic relations, technical cooperation, and trade, and especially in the case of Venezuela, some pending problems were finally solved. The most significant points were the deep analyses made with President Jaime Lusinchi and President Salvador Jorge Blanco on the problems of Latin America, the foreign debt, peace in Central America. The fight against terrorism and drug trafficking were discussed in depth with noticeable agreements. In January 1986 I made an official visit to the United States. I spoke openly and frankly with President Ronald Reagan, and received special treatment in consideration of the Ecuadoran people and for the way our country is facing its economic and political problems. [applause, cheers]

That opportunity also served to reopen the path of the development credit organizations that had been practically closed to Ecuador for several years. Soft loan agreements were signed with the IDB, the World Bank, and AID amounting to over $300 million. I had the opportunity of presenting our country to a meeting of very important journalists at the National Press Club where, in reply to a long question period, I explained the achievements and purposes of our government. That visit also allowed us to promote productive investments, particularly in the mining field, and gave us the opportunity to have open, sincere, and very positive exchange of ideas with U.S. union leaders.

In May I attended the presidential inauguration in Costa Rica. I accepted a very cordial invitation by the now former Presdient Dr Luis Alberto Monge. This was also an opportunity to get acquainted with the young and recently-elected president, Dr Oscar Arias. [applause and cheers] Costa Rica, a democratic country by tradition and conviction, gave an additional example of that political awareness during the inaugural ceremonies. It was a pleasure for me to be a witness of that Costa Rican civic activity. I then went to Honduras, invited by President Jose Azcona Hoyo and viewed the honesty and objectiveness with which he analyzes the Central American conflict. I also visited the El Zamorano Agricultural School, with which we have an agreement for training 130 young fellow countrymen, who will be the future forces driving Ecuadoran agricultural development. We also signed agreements with Honduras that will assure an exchange of technical experiences and adequate cultural contacts.

Legislators: I hereby reiterate that what I have stated is merely a brief outline that grants unity and coordination to the [words indistinct], and of course, the basic framework [words indistinct] for the austere atmosphere of work and specific duties of the Armed Forces that zealously defend our national territory and provide services for the Ecuadoran community. This also has an influence on the new 42,000 housing units that were promoted by the public sector last year. [shouts, cheers] The [words indistinct] built 28,441 housing units, that showed a 25.7 percent increase as compared to the first year of my administration, when it was necessary to define the general characteristics of the system and solve the terrible problems that had been left pending. Therefore, in keeping with the [word indistinct] rate, which will be kept rising, as I offered during the electoral campaign, but it will increase and will make true the promise to build 120,000 low-cost housing units during my 4-year term. Also, there are new mechanisms to develop the manufacturing industry, particularly the one based on national raw materials, that opens new jobs; the small enterprise that equally distributes the benefits of progress among all Ecuadoran regions; the growing [words indistinct] of petroleum, that seeks to obtain reforms that will compensate and increase the quantity that is being drilled by three new contracts of [words indistinct] in the Amazona area, the coastal area, and territorial seas; helping the minority by issuing appropriate solutions to the problems of [words indistinct], increasing the exploration of oil deposits, formalizing contracts to incorporate foreign capital and technology that will strengthen our production; generating and saving on foreign currency; and opening thousands of new jobs for the new generations of Ecuadoran workers. [applause and cheers] If the administrative aspect is a conglomeration of various activities that are guided and marching through many paths and sectors, the political aspect is the work done by a general effort toward reaching a common goal which is the overall improvement of the individual and society.

During the period on which I am now reporting, relations between Congress and the Executive -- which in the previous period had been definitely abnormal -- became normal.

The initial insistence on unconstitutionally maintaining, from parliament, a parallel government, began to yield to an attitude that was much more in line with the letter and spirit of the Constitution.

As soon as my presidential term began, daily charges about alleged authoritarianism on the part of the chief of state and of the government as a whole, were made, a tactic similar to those attempted during the 1984 election campaign. The critics, for unjustifiable distortion purposes, failed to say how some elements in congress as well as some entities were acting maliciously and questioning the constitutional work of the Executive Branch [shouts], while everyday they looked for failures that would not have been my failures, Ecuadoran people, but yours because you elected me as your constitutional president. [shouts]

Unfortunately there is no constitutional rule politically protecting the Executive Branch in the face of, but implicitly political decisions of collegial organizations, and it has not been possible to point out violations of the constitution, violations that are committed collectively but that are still that: violations.

Because of these violations, the president of the Republic found himself forced to defend his authority and legal order in compliance with his precise constitutional duties and to safeguard his own personal dignity. [shouts]

This is why evidence that as of August 1985, congressional leadership gained awareness that it is institutionally necessary to live without violence and continuous provocations, was seen by all the citizens with satisfaction and as positive for democracy and as a resource for facing very delicate moments. [shouts]

Perhaps we cannot say that there has been full harmony or a completely constructive relationship with congress, which is the ambition of any person who truly loves the fatherland, but I must publicly admit that there has been no malicious intentions to destabilize the government, or to obstruct, at any cost, the work of the Executive Branch in favor of the Ecuadoran people. [shouts]

People must realize that the political groups that support the government have never been a majority in the Ecuadoran congress. What happened is that some blocs of legislators adopted a very patriotic and responsible attitude aware of the fact that relative national harmony should win over the intolerance, sectarianism, and radicalism of other opposition sectors. This attitude, undoubtedly, deserves the gratitude of the Ecuadoran people.

Despite the efforts that certain opposition sectors made in Ecuador and abroad -- efforts which are unjustifiable and proof of the excess to which sordid, negative passions can lead men -- to discredit my government by claiming that the holding of elections was overdue, I, unperturbed, decided when to hold elections. Various parliamentary sectors, including several unmistakably aligned with the opposition, fought tenaciously to eliminate legislative elections, and even municipal elections, which by law must be held between presidential elections. The former heads of the Supreme Electoral Tribunal, whose ill-will against the National Reconstruction Front coalition was no secret, failed to clear legal problems standing in the way of the elections. Moreover, they did not take precautions against the problem of expired voter registration cards. The president of the Republic took resolute steps to ensure that the elections would be held. Resorting to an executive decree, the length of validity of voter registration cards was extended. And that is how, prior to boarding the plane that took me to the United States for an official visit, I announced the holding of elections, defeating all efforts challenging this. [chants] My decision was based on my firm beliefs on the need to alternate power. This alternation includes the renewal of congressional and municipal authorities.

In addition, I personally believe that it is not good to have a unicameral parliament. One-party rule and unicameral legislature encumber the executive's handling of relations with the Congress. Periodic changes are not altogether inappropriate. This calls on other institutions to redress their postures with a clear constitutionalist spirit and objective insight obtained from our country's past experiences.

In January I called a plebiscite to allow Ecuadoreans to say whether they wanted independents to have the right to opt for elected offices. I did not do this to rally support for this administration or to boost the position of those parties supporting the government. Those were false accusations launched by the opposition. My motives were clear and honest: Perfect Ecuadoran democracy; break the ridiculous discriminatory and antihuman policies unfortunately sanctioned by the Constitution approved in the 1978 referendum; yield to demands by which the individual, not the political parties, is the depository of political rights, and defend a principle that it took years of republican life to secure and which was abruptly suppressed through dictatorial, manipulative procedures. However, the opposition managed the publicity and propaganda adroitly. It advised the citizens to vote no, voicing their discontent regarding the government, the high cost of living, and against a string of age-old problems that cannot be immediately remedied and against which no other administration has struggled harder than mine. Principles were betrayed, ethics were violated, and the Ecuadoran people became victims by being instructed to vote no to an honestly conceived question, when the legal consequence of the vote in fact sanctioned a long-standing injustice.

This plesbiscite and the cowards who perpetrated it will go down in history as one of the most blatant and harmful manipulations of the Ecuadoran people in the history of our republic [chants]. I am certain that in the short run -- if in fact they have not already done it -- the Ecuadoran people will fully realize the extent of the damage. I am certain they will see that despite the landslide no vote, the government's firm determination to continue serving the people was not shaken. [applause]

However, they fomented the mutilation of their own rights, and the abdication of their political decisions on behalf of partisan groups that claim for themselves the natural right of men to be elected and to freely elect their representatives from the broad spectrum that includes all citizens, and not from a limited selection of party members.

I must admit that in addition to those who voted no because they were strongly convinced that the system of electoral freedom was not advisable for them as it would eliminate the possibilities for partisan manipulation, there were others who accepted the invitation from the opposition to freely express their discontent to the government.

I did not heed the advice of those who in good faith advised me to suspend the referendum when the transposition of concepts and the terrible fundamental falsity that obsessed politicians in the opposition had introduced into the electoral publicity became obvious. I chose to carry the process to the end and, showing a republican and democratic spirit, even face the climate adverse to the government that influenced the negative vote. I am aware of the political consequences of the results of the referendum. However, I am less concerned about that than I am about the very grave historical consequences that will continue harboring injustice, and about the absurdity in Ecuadoran constitutional law which will continue mutilating electoral freedom in our country. This would be going against history's vital course, burying a principle and a right achieved through a decades-long struggle which would later be eliminated by the skillful drafting of the constitution.

But the reestablishment of the right to free elections continues to be a categoric imperative. The government maintains the position that it has an ethical obligation to reach a totally and truly democratic system in which the political rights of Ecuadoreans will be faithfully expressed by the Constitution. I propose this tonight in a specific, emphatic, and unequivocal manner to you Messrs legislators. [shouts]

It is essential that we proceed in this direction because if the curtailment of electoral freedom years ago led to oligarchic regimes devoid of popular ideas and support stemming from small party minorities, the same phenomenon will occur in the future as the result of the evolution of the current regulations. This oppressive extreme must be avoided. It is time to find a lucid way out on the basis of the majority's rights, without subterfuge, murkiness, or snares, and to immediately and realistically address this extremely serious problem. [shouts]

I respect human rights. The meticulous mechanism commonly called disinformation has been set into motion agaisnt the Ecuadoran Government. It consists of manipulating events, of distorting or mutilating objective data, of instilling into the public mind apparent truths that contradict actual truth. Sometimes the goal of misinformation is to obtain the public's support for ideas that patently run counter to the community's interests. Other times it is to make the most decisive developments take on adverse and disparaging nuances, and still on other occasions it is to disrupt the sound objectives or right actions by persons and groups.

At various times and under different circumstances, attempts have been made to disinform with regard to the country's political, economic, and social situation, inside and outside the country. Several mechanisms handled by political transnationals were incorporated into this objective. Certain personalities who are more or less active in Ecuador's politics have clearly played the role of agents of misinformation and agents of political internationals that have no regard for country, homeland, boundaries, peoples, or national communities and only seek universal power regardless of the suffering, contradictions, or conflicts peoples or nations may endure. Through disinformation mechanisms, it has been hinted that respect for human rights is beginning to be neglected in Ecuador. Insinuations in this regard have been made by more than one media, in more than one political speech, or in more than one statement by one or more international spokesman or spokesmen, for which sufficient propaganda mechanisms have been made available.

I must stress what the international community and what the friendly governments know in detail through their diplomatic representatives and the diverse mechanisms that adhere to the truth. The Ecuadoran Government zealously respects and promotes the right of persons, the right to life, the right to personal freedom, the right to a good name, the right to economic initiative, the right to have a livelihood, the right to freely educate children, the right to free expression, and the right to have access to the mechanisms of justice. [shouts]

It cannot be otherwise. The logical ideological inspiration of my government is based on the human being. It serves him and justifies itself on him. It denies the dogmatic and totalitarian assertion that the state or society in abstract must prevail over the right of a person because a person embodies moral values that come before and prevail over the powers man himself has created in the groups and societies. A human being has a purpose that is the product of his own essence, that is the result of his own conscience, and is not the effect of a whimsical concession granted by the administrator of a specific society. [shouts]

The basic right of Ecuadoran men and women exists so that on the basis of their freedom and potential and within respect for the law, they can feasibly achieve their own fulfillment. Nothing that hinders this fundamental right of human beings will be accepted or tolerated by the government. That is the reason for the persistent and all out struggle against those savage and merciless attacks on the right of persons. [shouts]

That is the reason for the persistent and all out manly struggle against those savage and merciless attacks on the right of persons that are aggressively launched by terrorism, drug trafficking, guerrillas, and other phenomena of collective deprivation. [shouts]

For this reason, I am fully aware that the attempts to create misinformation about the Ecuadoran Government and human rights are specifically aimed at curbing the actions of the government which I preside over, particularly the national police's systematic and self-sacrificing work against terrorism and drug trafficking. One or the other would take hold of the society if the government let itself be intimidated by this disinforming and cowardly propaganda. [shouts] If the government showed some weakness in the fight against these scourges of humankind, our country would face the imminent danger of being destroyed as unfortunately occurs to more than one state now. If fear led us to cowardice, the nation can be sure that in a short time it would have fallen under one of the two following tyrannies: That of the organization of vice or that of a master that manipulates the state forces to impose primitive radicalisms.

Let the misinformers, let the drug traffickers, and let the terrorists know [shouts], let the misinformers, let the drug traffickers, and let the terrorists know that the great Ecuadoran society's support for the struggle of the government will make it continue with identical and even greater energy in the fight against the scourges of our century. [shouts] Providence will make the elements of destruction, which are so skillful in carrying out disinformation, become more obviously identified in a society that clearly sees which are the goals of the false prophets. [shouts]

As soon as it was known the price of oil on the world market was dropping and Ecuador's economy would be facing problems, a coup attempt came. It was led by the commander of the Air Force at that time. I hope that investigations on this matter will clear-up the ties that existed between him and civilian politicians then. In any case, it was evident -- and there are testimonies pointing in that direction -- that some sectors that claim to be democratic clearly and cowardly encouraged the subversion. [shouts] As a military venture, the coup attempt had little significance, but it had an erosive impact on domestic policies because it served as a basis for charges that were slanderous, vague, and unprecise but that still harmed the government's image.

The worst effect on the Ecuadoran people was at the international level. The government has implemented a completely serious international relations effort in compliance with commitments. National honor, friendly and open relations with all countries of the world, financial behavior with no inferiority complex inspired by domestic laws but not by petty caudillism, clear and simple principles being honestly applied, congruence among ideas, statements, and action, all this had given shape to a respected national image. [shouts]

That image represented benefits for the country because honesty bears fruit even if that is not the objective. This image suffered from the coup attempt, which created -- although only circumstantially -- mistaken images about infantile dreams, irrational hatred, and blind excitement. And there were, obviously, moments of doubt among investors who had found an oasis of peace in Latin America, in foreign statesmen who had thought of Ecuador as a land that served as a healthy home for people who enjoyed harmonious coexistence, in newsmen used to finding in Ecuador news characteristic of serious countries. All of a sudden they found themselves faced with a tragedy and a comedy not coherent with the dignity the Ecuadoran state had been demonstrating.

Those who conspired, those who inspired, and those who carried out the March events may or may not have estimated the damage that they would be inflicting on their fellow countrymen. Anyhow, they acted without hesitation. Either hatred, frustration, and the desire to destroy was most important for them, or they did not have the moral awareness that places the permanent values of the nation above personal passion and petty political ambitions. Although no importance has been given to those people with a negative spirit, they damaged a national effort that was not the property of the government but the property of all the Ecuadoran people who found in that effort a positive tool for finding resources, assets, and services because they had neat credentials in the international community and had historic encouragement that provide hopes and moral strength. Perhaps posterity and history will be able to provide an exact report on the seriousness of the damage done to the entire country and point to those responsible for it.

Those days were dramatically tense, but not entirely negative. The people's reiteration of their democratic will was tremendously positive. The people spontaneously stated their adherence to constitutionality. And the noble, firm, careful, and efficient position of the Armed Forces was most positive. I, as democratic president on behalf of all Ecuador, pay tribute to the Armed Forces and regret the death of those who fell fulfilling their duty becuase of the unjustifiable coupist adventure.

An amnesty bill has been proposed and comes from a local politician. It is being made following this and other crimes aimed at hurting the undefeated prestige of our Armed Forces. The proposal has been presented as a political initiative. The Armed Forces have stated categorically that amnesty can be granted only in cases of political crimes and if there is a national importance for granting it.

Those who would benefit from this amnesty are guilty of common crimes. The national government fully agrees with the Armed Forces' views because they are based [shouts] on the solid foundations of the Constitution, logic, dignity, and evidence. Amnesty does not and cannot shelter those who misappropriate public funds, slander the institutions that form the backbone of the homeland, or incur insubordination that is detrimental to the discipline and prestige of the armed institution with serious consequences abroad.

I will take the opportunity to clarify another, truly important matter. Amnesty is unacceptable in the case of common crime or crimes against mankind, thus defined by the international community and the Ecuadoran state. It would not be at all difficult, after trying to apply amnesty to common crime, that some would later try to apply amnesty to crimes against mankind. The misrepresentation of legal terms can lead to attributing political motives to those who murder, kidnap, threaten others with genocide, terrorize entire communities, or endanger the lives of children and old people to quench their hatred.

It might happen that those who are guilty of terrorism and drug trafficking could argue a supposed political posture in order to obtain their release and justify their behavior. The government does not allow loopholes in the concepts and practice of Ecuadoran law. If murder, genocide, extortion, kidnapping -- the most brutal crimes -- are involved, it is irrelevant for he who commits such crimes to argue supposedly political intentions. These will always constitute crimes against mankind and attacks against civilization and must be dealt with as such in the severe context of law.

I want to close this part of my speech with a categorical statement: The government will not permit the curtailing of our public forces' operating ability by using illegal mechanisms, such as undue amnesty or presumed pardon. Just as with human rights, the very noble sense of which is frequently laid aside and turned into a politicking move seeking the impunity of vice and extremism, this matter of amnesty cannot lend itself to misrepresentation or political nonsense. [applause and shouts]

The national government has contributed and will continue to contribute, as far as possible, to the fulfillment of the public force's very important duties. The public force has no right to resort to excesses in the use of recourses and instruments that society has put in its hands. At the same time, the public force must use all of the proper means for Ecuadoreans to be able to live in peace and check the progress of crime, both here and abroad. [shouts]

Once the electoral process concluded with an overall result that did not differ substantially from the 1984 congress, I made an appeal for the reunification of all Ecuadoreans for the good of the country and in the context of the struggle against the problem of the oil price drop, as well as for the preservation of the effort toward development. By itself, the initiative was not new. The purpose that I have mentioned has inspired my political activities. I felt, however, that it was necessary to stress because Ecuador faces a historically important crossroads. The country either progresses toward its own goals of good for all in a formidable and mass gesture of solidarity, or gets entangled in a broken course that will only bring grief for our people, whose improvement must be the sole obsession that we cannot refuse.

I hereby reiterate that nobody was asked or is being asked to give up his own convictions. No one has been asked to renounce his rights. It is proposed to everybody here, recognizing the ties of the Ecuadoran citizenship and a common duty toward the country. Let us work with fervor and in earnest for perfecting democracy, respect for the Constitution, and the progressive achievement of genuine development in liberty and justice.

My proposal has received several replies. I am sure that a large majority of citizens did it with patriotism, intuition, and nobility. Outstanding journalists, respectable statesmen, and some political leaders have given it their support. However, there have been other political leaders who interpreted it as a weakness and their replies were rude and harsh. They thought the time was right to start criticizing and to cast doubts on the way some state funds had been handled.

Every government has the duty to honestly handle funds that the taxpayers have contributed with great effort and sacrifice. Neither government officials nor workers should use one single cent for their own benefit. The present regime has a serious commitment because one of the main reasons why my fellow citizens honored me with the presidency of the Republic was my endless struggle in Congress -- and now from the Presidency -- against corruption, with arguments and evidence which were never refuted, with tangible proof that was never denied, in defense of the Ecuadoran people's interests and the community's ethical principles.

Unfortunately, it would be utopic to think that we can eliminate all crime and criminals. Therefore, the ethical principle of a regime cannot be measured by the fact that the hundreds of thousands of state workers are not committing one single irregularity. It can be measured by the fact that once an irregularity is reported, it is brought to the attention of the corresponding authorities, instead of keeping an accomplice silent, once it has been confirmed. However, I will insist on one thing, once the irregularity is confirmed: We cannot tamper with the honor of the people. Although, I feel that a person who steals money is immoral, I also think that a person who takes advantage of his fellow men's good will is more immoral. He should be prosecuted and punished according to the law. This is what I believe and this is how I will act. I think that as president of the Republic it is my duty to stress before you congressmen and to my fellow citizens, that whoever makes bad use of public funds, will be punished with all the weight of the law. Crimes that go unpunished are always subject to criticism, more so if it is a crime against the country's economic development.

The principle of functional division is part of the essence of Western democracy. It means independence and not confrontation. On the contrary, these functions are common in a sovereign government supported by the people, representing a state and seeking the community's welfare. The highest ideal is to have in a republican state an environment of respect and obedience of the law and for the citizens to comply with their specific duties. A state patriotically and efficiently doing its duties is a nation's highest progress.

It is the objective of the Executive Branch to obtain this cooperation under conditions already mentioned. This I sincerely express. Perhaps as never before, the very important task of legislating is very significant to try to remedy the difficult economic situation and not only overcome the most immediate problems the government is facing, but also those created by the world's economic policies. It is fundamental that we set aside partisan interests and face the situation with a pragmatic and realistic attitude and implement the suitable measures established by the constitution. If Congress complies with its indisputable right and duty of overseeing things, I wish it would do it with the utmost respect of the Constitution. Congress does not have the right to criticize because of discrepancies or because a majority has a different ideological view than the government official whose actions are being examined. Criticism cannot be done without full evidence that a government official has violated the law and that his action has affected the community by setting a bad example for society. If we just apply this simple rule of coexistence the situation throughout the country will be more positive and functional.

Legislators, you must be aware of the fact that the people are demanding what is commonly known as detente. The position that the government has deliberately adopted after much thought is not a temperamental or selfish act. It has been inspired by the people. The government has understood the message the people have sent to us; we know that the people are of a conciliatory mind and desire less confrontations and more understanding and cooperation.

After this report was written, the county was violently shaken by the revelation of certain negotiations that were being carried out unknown to the people, regarding national and local policies. I condemn, one and a thousand times, the interception of telephone conversations. I condemn, one and a thousand times, that peoples' privacy was invaded. However, these circumstances are of top importance and cannot hide another circumstance related to the deplorable level to which some citizens are trying to drag the political activity that -- in keeping with the science and art of the well-being of all -- should be the most noble of all human efforts.

It is legitimate, one and a thousand times legitimate, to aspire to the fulfillment of government tasks, as the highest opportunity the fatherland offers for us to serve it, and to serve the people's best causes. However, we must fulfill our difficult and even painful official duties in a clean, gentlemanly manner, by adhering to the rules of the democratic process. We cannot fulfill our duties by using foolish short cuts, or turning decisions that should bear the brilliance of patience and honesty into elements of negotiation, because these decisions should be just.

This date is the most important date on Ecuador's vital calendar. This date made Quito the inextinguishable light of America and should inspire and strengthen us. I am not ignorant of the singular drama of the moment but I am not frightened. Just as with individuals, peoples cannot be measured by their desire for comfort, luxury, or their love of the good life. They are measured and exalted by the thunder of the storm, the demand for sacrifice, the tremendous risk of challenge, the mortal war against all the enemies of the fatherland, their use of every honest means suggested by their bravery and wisdom to achieve victory. These are not the words of Leon Febres Cordero. These are the words and commitments our fellow patriots in Quito stamped on the document signed on 10 August 1809. But I feel them in an extraordinarily strong way because my own ancestors fought, suffered, and shed their blood so that the emancipation effort initiated in this very free city could be fully realized.

I know now that the fatherland's enemies are poverty, malnutrition, lies, and delinquency. I know well that we must achieve a new liberty: We must free ourselves of sickness, illiteracy, and the lack of communication. However, I am even more certain that with God's help, a patriotic cooperation with state duties, and my people, the Ecuadoran people's work, no obstacle whatsoever, no matter how threatening, will be capable of stopping our formidable motivation to achieve integral development and justice, gentlemen legislators.

PENAHERRA: NATION MAY FACE LARGEST DEPRESSION

PA122116 Quito Voz de los Andes in Spanish 1130 GMT 12 Aug 86

[Text] In a report to Andres Vallejo, president of the National Congress, Vice President Blasco Penaherrera has stated that if there is not a worthy and lasting increase of petroleum revenues, the economic situation of the country will require the implementation of severe measures.

Regarding the implementation of the national plan for development between 10 August 1985 and 10 August 1986, Penaherrera said the enforcement of such measures will be impossible and will not have positive effects if the executive power does not have the support or the assent of the public power bodies, particularly the national congress.

Penaherrera warned that Ecuador is not only facing the possibility of the biggest economic depression in its history, but one that may not be merely incidental, but also long lasting.

CENTURION EXPLAINS EXCHANGE RATE INCREASE

PY122152 Asuncion HOY in Spanish 12 Aug 86 p 9

[Text] Pursuant to an agreement reached by our government with the IBRD (International Bank for Reconstruction and Development), there will be a 100-percent increase in the dollar exchange rate for disbursements of IBRD loans covering nearly 10 projects that are already under way. Hence, the exchange rate for local expenditures of these IBRD loans will be 320 guaranies per dollar. However, the Central Bank will disburse only 240 guaranies per dollar, and the Paraguayan Government will have to draw on its reserves to cover the 80-guarani difference.

Industry and Commerce Minister Delfin Ugarte Centurion yesterday made these remarks upon briefing the Economic Coordination Council on the agreement reached with the IBRD to resume loan disbursements that have been suspended since August 1985. The agreement reached with the IBRD will be in force until the end of this year, when the issue will again be studied. Thsi is a major increase over the previous rate of 160 guaranies per dollar.

Upon leaving Government Palace, Ugarte made the following remarks to newsmen accredited to the Presidency: "We have informed the president and the Economic Coordination Council of the agreement we reached with the IBRD that the exchange rate will be 240 guaranies per dollar and that disbursements for local expenditures will be based on the rate of 320 guaranies per dollar. Ths agreement will apply exclusively to those IBRD-financed projects that are now under way." Ugarte added: "This procedure will also be applied to IDB (Inter-American Development Bank)-financed projects that are under way. Thus, you may infer that our monetary exchange rate has not changed; it has remained unchanged, as I said earlier. We have also commented on the great interest expressed by Washington organizations in the economic reactivation project that is being studied by the appropriate government organizations."

Asked about the exchange rate that will be applied to future loans, Ugarte said: "For future loans, they will have to take into account our position. These negotiations were primarily designed to resume disbursements of those discontinued projects. Effective today, officials of these financial organizations will have to impart the appropriate instructions to make these disbursements so as not to jeopardize the timetable of our projects." Ugarte added that the agreement will be implemented immediately. "It has been agreed that they will have to take steps to update all disbursements for the implementation of projects under way in the country. As you know, these projects include roadbuilding, colonization, livestock, projects, etc."

This agreement has provided a temporary solution because the exchange rate has gone from 160 to 320 guaranies per dollar but it has not yet reached the 500 guaranies per dollar rate requested by the IBRD.

PLRA WANTS END TO EXILE, RESTORATION OF FREEDOMS

PY121433 Asuncion HOY in Spanish 10 Aug 86 p 4

[Document released by the Paraguayan Authentic Radical Liberal Party, PLRA, at the conclusion of a political rally held on 9 August in Horqueta, Concepcion Department]

[Text] At the end of the rally in Horqueta, a document was released that requests "that a definite date be set to end the unconditional participation of the Liberal and Radical Liberal Parties in the democratic process."

The document demands "the return of all exiles; the lifting of the state of siege; freedom of the press; the right to free assembly; the depoliticization of the Armed Forces, the police, and the public administration; the end of the compulsive contributions of public servants to the ruling party treasury; the approval of a new electoral law that gives broad guarantees for all political ideologies, and that all Paraguayan liberals refuse to participate in the 1988 elections if the incumbent's reelection is sought." The document was signed by 20 PLRA committees from throughout Paraguay.

NANDUTI OWNER ON ABC COLOR ANNIVERSARY

PY100128 Buenos Aires Domestic Service in Spanish 0200 GMT 9 Aug 86

[Relay from Asuncion Radio Nanduti by owner Humberto Rubin; date not given]

[Excerpt] This is a report for Buenos Aires Radio Nacional from Asuncion Radio Nanduti. Humberto Rubin is speaking.

Problems have marred another anniversary of the newspaper ABC COLOR. I say problems because it has been a rough day -- with telegrams that were not being sent because ANTELCO [National Administration of Telecommunications] refused to transmit them and with floral wreaths undelivered. With a mass at 1000 at the Metropolitan Cathedral, the 19th anniversary of the newspaper ABC COLOR was celebrated. That important independent newspaper was closed down just over 2 years ago.

Radio Nanduti read the headlines of the 16 issues that were published, the others... and as is already known, it has been closed down since 22 March 1984. [sentence as heard]

And I repeat, it has been a rough day, a tense day because politicians and friends who wanted to enter the newspaper's premises were stopped by police. At this time, Radio Nanduti is not suffering any type of interference, thanks I believe to the presence of Robert Gelbard, of the U.S. State Department. Nanduti is now able to prepare and offer its programs in an almost normal manner. There are not transmissions from abroad because I can only receive telephone calls. I cannot make telephone calls. [passage omitted]

FOREIGN MINISTRY EXPLAINS RECALL OF ENVOY TO GDR

PY130353 Paris AFP in Spanish 0307 GMT 13 Aug 86

[Text] Lima, 12 Aug (AFP) — It was officially reported tonight that the Peruvian Government has recalled its ambassador to the GDR and conveyed to the East German ambassador its strong protest for not having received the explanation it had requested about a cargo of smuggled arms from the GDR apparently intended for Callao, a Peruvian port.

The cargo in question was loaded in Rostock, GDR, on 5 May this year and was claimed to be trucks and spare parts for the trucks. However, when the Danish ship Pia Vesta that was carrying this cargo was intercepted in Balboa, Panama, on 14 June this year, the cargo was found to be 1,500 Kalashnikov rifles made in the Soviet Union, 1,500 RPG bazookas, ammunition, and trucks that could be put to military use.

The Peruvian Government, warned about the true contents of the cargo, alerted its Navy and ordered it to capture the ship. But the ship got only as far as the port of Salaverry, 550 km north of Lima. On 8 June it received orders to take to the high seas and set a course for Balboa.

In Panama, President Eric Delvalle, advised by his Peruvian counterpart Alan Garcia, stopped the Pia Vesta. The Panamanian authorities checked the smuggled cargo and seized the arms.

The Peruvian Government asked the GDR for information on this contraband and on 24 July, sent to the GDR Government a note asking for complete and detailed information on the shipment. The note stated that this operation, conducted by illegal arms traffickers, could affect Peruvian security. Therefore, the Peruvian Government looked forward to the indispensable cooperation and to maintain the cordial relationship between the two governments.

The Foreign Ministry stated that the response, which was received on 11 August, refers to the Pia Vesta's cargo, stating that it has to do with a commercial transaction between a foreign trade company in the GDR and a Swiss enterprise, and that it has been investigated to the extent that the state authorities can find out about commercial relations between enterprises.

In the note delivered to the GDR ambassador, the Peruvian Foreign Ministry states that this response is unacceptable because a GDR state-owned enterprise is involved and because of the irregular status of the documents covering the shipment.

The message, signed by Foreign Minister Alan Wagner, states: the GDR Government has the duty to answer our request and I must express the firm protest of the Peruvian Government because it has not received, despite all requests, the evidence and information that will allow it to find out whether GDR state companies are connected with this case of illegal weapons traffic, endangering Peruvian safety.

The message concludes by saying that it is the wish of the Peruvian Government to preserve the good and friendly relations that have always prevailed between our two countries, but it considers that this friendship demands a satisfactory reply by the GDR.

Meanwhile, a Peruvian Foreign Ministry official communique states that this case has been investigated by the Peruvian diplomatic missions in Panama, Denmark, France, Switzerland, and Uruguay, which made it possible to verify that some of the documents had been forged and that the companies involved do not exist.

This information so far obtained has been passed to the national prosecutor's office in order to punish those responsible for the crime, while the Foreign Ministry continues investigating through diplomatic channels to clear up the case and to find out if those responsible for it can be judged by international law, in order to take the appropriate measures, the communique states.

ECONOMY MINISTER: COUNTRY WILL NOT LEAVE IMF

PY120355 Madrid EFE in Spanish 0004 GMT 12 Aug 86

[Excerpts] Lima, 11 Aug (EFE) -- Even if the IMF declares Peru "ineligible" to receive new loans, Alan Garcia's administration will not leave this international organization "because it is better to be in it than out of it."

This, in sum, is the position outlined by Prime and Economy Minister Luis Alva Castro, in the course of an interview that the weekly CARETAS published today. In this interview Alva Castro also stated that the IMF will receive only $35 million instead of the $180 million it was scheduled to receive. [passage omitted]

Alva Castro said that nevertheless Peru will continue as a member of the IMF "because it is better to work from the inside to make our position understood and make the organization think about it."

Alva insisted that the APRA [American Popular Revolutionary Alliance] is clearly willing to pay. "We are paying, but only as much as the country can afford. Furthermore, we are not even arguing the interest rates, we have accepted the ones that the IMF set for us."

The prime minister went on to say that the label "ineligible" would deprive Peru of new IMF loans, but it would have no effect on other loans that have been arranged with the World Bank and the Inter-American Development Bank for $800 and $600 million respectively.

On the recent agreement between the IMF and Mexico, Alva Castro stated that "it involves an explicit acceptance of a given economic policy" and reiterated that Peru has chosen a path that is "free and independent from any foreign directives."

FURTHER REPORT ON 'CONDOR' DRUG OPERATION

PY120406 Paris AFP in Spanish 2036 GMT 10 Aug 86

[Excerpts] Lima, 10 Aug (AFP) -- During a raid ordered by President Alan Garcia, some 300 military men and two squadrons of A-37 fighter-bombers and helicopters fitted with bombs and rockets destroyed two cocaine processing complexes and their airstrips in the heart of the Amazon, on the Colombian and Brazilian borders. Civic Guard Colonel Juan Zarate, who led the raid, today announced in Iquitos, the capital of the Loreto Department, where the operations base is located, that the "Condor IV" [as received] operation will continue against another 18 airstrips, 5 of which were being reconditioned by drug traffickers.

Col Zarate stated that in this true war against drug trafficking, a war that began successfully on 7 August with the detection of three airstrips -- two of which had to be destroyed by bombs yesterday because of the strong resistance offered by the criminals -- and their respective laboratories. Airborne troops took over the air strips and the laboratories, seizing 350 kg of cocaine base paste, chemicals, crushing equipment and other equipment.

The Air Force units were unable to bomb a third complex of Colombian and Peruvian drug traffickers because it is located near the Indian town of Ticuna, 8 km from Puerto Alegre, where 200 inhabitants mostly children, are settled. [passage omitted]

Col Zarate announced that this new phase of the "Condor" operations, which started shortly after the installation of the new government with the destruction of a dozen airstrips, modern laboratories, and the seizing of sophisticated weapons, will continue with the cooperation of Colombian authorities, until this scourge is eradicated from the region.

Zarate said that so far the operation has been highly successful. Despite a number of risks, the strong opposition of the drug traffickers, and the dangers of an inaccessible and swampy forest, barely 2 days of action sufficed to destroy those drug processing centers.

Thus far 18 clandestine airports have been discovered in the Amazonic trapezium where scarce police surveillance made large-scale drug activities possible. The area is inaccessible, inhospitable, full of animals, and lacking in resources necessary to get or stay there.

Zarate said that some 30 laboratories with their respective crushing pits were also discovered in the area and that out of 180,000 hectares of coca planations in the country, at least 70 percent are in the hands of the drug traffickers.

Given the shattering military attack, the drug traffickers chose to flee, abandoning some 25 indians who were hired as security guards. Large quantities of cocaine, ether bottles, generators, washing machines, drying machines, chemicals, arms and ammunition were seized.

Cocaine Factories, Installations Destroyed

PY121454 Lima Canal 9 Television in Spanish 0310 GMT 12 Aug 86

[Text] With regard to the "Condor IV" operation, the Interior Ministry reports:

1. The police forces have taken over the cocaine factories and installations found at 12 airfields. After the factories were inspected, they were destroyed. A detailed report on this operation is expected.

2. The deputy interior minister has travelled to the police forces base in Caballa Cocha to get a detailed report and make an evaluation of the first phase of the "Condor IV" operation.

3. The police forces, supported by Air Force helicopters, are trying to locate the drug traffickers who have escaped into the jungle.

Lima, 11 August 1986, Interior Ministry.

GENERAL RABANAL FAILS TO APPEAR IN COURT

PY120336 Madrid EFE in Spanish 1642 GMT 9 Aug 86

[Excerpts] Lima, 9 Aug (EFE) -- General Jorge Rabanal, who is being held responsible for the killing on 19 June of 124 Peruvian inmates charged with terrorism, failed to appear in court before the judge that summoned him. [passage omitted]

At this moment there is an ongoing legal dispute to determine whether a civil or a military court will try Gen Rabanal. Nevertheless, while the Supreme Court deliberates which court will hear the case, the general was scheduled to appear before the judge, Supreme Court President Hector Beltran has stated. Gen Rabanal filed a petition with Judge Hernan Saturno stating that at the time of his summons he had to testify before the Supreme Council of Military Justice, which has also indicted him. For his part, Attorney General Cesar Elejalde's personal opinion is that the case involving the general is to be handled by the military courts. [passage omitted]

SHINING PATH KILLS 7 IN TINGO MARIA DISCOTEQUE

PY120400 Paris AFP in Spanish 1728 GMT 9 Aug 86

[Text] Tingo Maria, Peru, 9 Aug (AFP) -- Seven people were executed at a discoteque by alleged members of Shining Path and their remains thrown into the Huallaga River and a drain in the Aucayacu jungle area, located at 650 km east of Lima, according to the Peruvian police. According to the same source the killings, which took place on 6 and 7 August, were carried out by Maoist Shining Path hit squads. They took place in the heart of the virgin jungle area where the guerrilla organization has stepped up its activities after a short truce. The source noted that the people who were executed were four homosexuals, two drug addicts, and a prostitute.

On 6 August two drug addicts known as Sicar and Travolta were machine-gunned, and the next night four homosexuals and a prostitute were also killed. The remains of the two victims were placed in a mailbox and with a sign which read: This is how drug addicts and drug traffickers, who damage the minds of youths, die. The bodies of the other victims, whose identities were not disclosed, were thrown into the Huallaga River.

Police and Army troops, who have noted that the number of victims may be higher, have undertaken an operation to find the subversives, who are constantly perpetrating crimes in the region because of a lack of proper police protection, according to a settler in the region.

BRIEFS

IRAQI, NEPALESE AMBASSADORS -- In separate ceremonies in the Golden Hall of Government Palace, Iraqi Ambassador to Peru Abdul Sattar Abdul Jabbab Mohamed Aldauri and Nepalese Ambassador to Peru Jai Pratap Rana on 21 July presented their credentials to President Alan Garcia Perez. [Excerpt] [Lima EL COMERCIO in Spanish 22 Jul 86 p A4 PY]

APPOINTED AMBASSADOR DIES -- Manuel Checa Solari, who was the Peruvian ambassador to Portugal, died in Lima on 2 August shortly before leaving for Lisbon to assume his post. [Excerpt] [Lima EXPRESO in Spanish 3 Aug 86 p 10 PY]

DE LA MADRID LEAVES FOR WASHINGTON VISIT

PA130028 Mexico City Red Nacional 13 Imevision Telvision in Spanish 1935 GMT 12 Aug 86

[Text] President Miguel de la Madrid left for Washington this morning for a 3-day official visit during which he will meet with President Reagan. De la Madrid arrived at the presidential hangar at 0915 local time. Military and civilian bands played the national anthem, and the president was given a 21-gun salute. Later, he boarded the Boeing 727 aircraft of the Mexican Air Force that will fly him to Washington. The presidential retinue is formed by Senate leader Antonio Riva Palacios, secretaries for foreign relations, finance, and commerce, Bernardo Sepulveda, Gustavo Petricioli, and Hector Hernandez, respectively, and Attorney General Sergio Garcia Ramirez.

President De La Madrid is scheduled to land at Andrews Air Force Base at 1530. He will be flown by helicopter to the Abraham Lincoln and George Washington monuments. where he will pay homage. At 1800 he will arrive at the Navy pier, where he will board a yacht owned by the operations chief. Aboard the yacht, U.S. Secretary of State George Shultz will give a dinner for President De la Madrid.

Delegation Accompanies President

FL121616 Mexico City NOTIMEX in Spanish 0603 GMT 12 Aug 86

[Text] Mexico, 11 Aug, (NOTIMEX) -- As in previous international trips, an official committee will accompany President Miguel de la Madrid on his trip to Washington. The delegation will include Senator Antonio Riva Palacio, president of the Senate Grand Commission; Bernardo Sepulveda Amor, foreign secretary; Hector Hernandez Cervantes, commerce and industrial development secretary; Sergio Garcia Ramirez, attorney general; Emilio Gamboa Patron, presidential secretary; Division General Dem Carlos A Bermudez [as received], presidential chief of staff; and Manuel Alonso Munoz, general director of social communications.

An official bulletin issued by the Mexican Presidency indicated that Jorge Espinoza de los Reyes, Mexican ambassador to the United States, will join the delegation in Washington.

BRIEFS

COCAINE SEIZED -- In Ciudad Obregon, Sonora State, the federal police confiscated 500 kg of pure cocaine worth 33.6 billion pesos. Eight people have been detained in connection with this drug seizure. [Summary] [Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 12 Aug 86 PA]

DEFENSE FORCES DISPLAY SEIZED MATERIEL IN PARADE

PA122050 [Editorial Report] Panama City Domestic Service in Spanish at 1607 GMT on 12 August broadcasts a live relay of a military parade through Central Avenue in front of a reviewing stand on Cinco de Mayo Plaza in Panama City "to reaffirm national sovereignty."

The parade begins with the mechanized contingent's "V-150 and V-300 armored personnel carriers." He adds that Panamanian women dressed in the pollera, the typical Panamanian costume, are sitting on top of the APC's. The announcer says that while the 22 APC's are passing, "helicopters of the glorious Panamanian Air Force are flying overhead."

At 1626 GMT the announcer says that the various units of the Battalion 2000 are passing, including the Alpha Company, the Pumas 2d Airborne Company, the Furia Air Assault Company, the Aquarius Women's Platoon, the Loyola Support Company, the Tigres 1st Company, and the motorized contingent. The announcer reports the appearance of jeeps of the Battalion 2000 and 2-and-1/2 ton trucks carrying 120-mm and 81-mm mortars, "which are part of the materiel of the Battalion 2000, spearhead in the defense of the Panama Canal."

At 1643 GMT the announcer says that the helicopter squadron and airplanes of the Panamanian Air Force are again flying overhead.

The announcer says that the Urraca 4th Infantry Company, which guards the High Command and staff of the Defense Forces, is passing. At 1650 GMT, the announcer says: "your attention please: Something very important is approaching. Ladies and gentlemen here in the Cinco de Mayo Plaza area, Soviet-made trucks are being exhibited for the Panamanian people to see. They are part of the military materiel found in the Danish ship Pia Vesta that was seized by the National Navy when it was transiting our territorial waters with war materiel. This is part of the military materiel. These are Soviet-made trucks. They are being paraded along with the 4th Company -- the Urraca Company. Navy units are marching along with the Urraca Company soldiers. This is symbolic: These Navy men -- the guardians of our territorial waters -- carried out the operation which seized the Danish vessel."

At 1654 GMT, the announcer describes other Defense Forces' contingents that are parading, including those of the General Command of the Defense and Security Commission, the various police components, military schools, military training centers, women's corps, communications department, amphibian command, representatives from all of the country's military zones, Transportation and Maintenance Battalion, the Cavalry Squadron on horseback, and the Military Engineers Battalion. The announcer says that the engineer battalion's road construction equipment is also passing.

The parade ends at 1750 GMT with vehicles of the Traffic and Land Transportation Directorate. The live relay ends at 1751 GMT.

EDITORIAL: U.S. CANAL ARGUMENTS LOSING GROUND

PA120418 Panama City EXTRA in Spanish 11 Aug 86 p 1

[Editorial: "The Balloon Deflated"]

[Text] In the wake of sensational publications by the White House, State Department, Department of Defense, CIA, and DEA charging that General Manuel Antonio Noriega and his close friends are involved in, among other things, drug trafficking, money laundering, carrying out double espionage, selling arms, helping guerrillas, and assisting in the assassination of Dr Hugo Spadafora, certain groups have begun a campaign over Panamanian radio, press, and television. The campaign is hoped to convince the people that such publications stemmed from a well-orchestrated propaganda launched by Washington to prevent the return of the Canal to the Panamanians in the year 2000. This attempt had a false nationalistic mechanism and tried to locally minimize the impact of the charges presented by U.S. officials in publications abroad.

Senator Jesse Helms, president of the Senate Commission for Latin American Affairs [title as published], pointed out that he will oppose the transfer of the inter-oceanic Canal to a government dominated by a Mafia of drug traffickers.

First of all, there is no Panamanian, we repeat, no Panamanian who opposes the transfer of the Canal to the Republic of Panama in the year 2000. Several generations of Panamanians and many illustrious Panamanians have struggled to achieve that objective.

Second, to unmask the campaign unleashed by regime officials, the U.S. Government itself deflated their balloon. Last week President Ronald Reagan himself firmly and categorically said that the U.S. Government would transfer the Canal to the Republic of Panama on 1 January 2000 in keeping with commitments acquired with Panama. Meanwhile, Secretary of State George Shultz made a similar statement in Bogota.

The balloon was deflated -- what will they come up with now?

EL SALVADOR

INTERVIEW WITH FDR'S UNGO ON TALKS WITH GOVERNMENT

PA122250 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 12 Aug 86

[Telephone interview with FDR President Guillermo Manuel Ungo in Panama by unidentified reporter -- live]

[Text] [Reporter] Good morning, Doctor. Cadena Sonora's microphones are at your disposal.

[Ungo] Good morning, [words indistinct]. I am pleased to address the Salvadorans by way of your broadcast. I am willing to answer any questions you may ask.

[Reporter] What are your views of the turn the third dialogue, or rather the preliminary talks in Mexico, is taking? The political parties here have different views. Some of them no longer believe in the dialogue, and others have different ideas and are suggesting methods for the realization of the meeting in Mexico. What do you think of the suggestions by various political parties, since they do not all agree?

[Ungo] There is the possibility of a preparatory meeting prior to the dialogue that is to be continued in El Salvador, and this preparatory meeting may take place in Mexican territory. There are strong indications that the Salvadoran Government is willing to continue the dialogue it interrupted for more than 20 months, more than 1 and 1/2 years. Only ultraright-wing parties such as ARENA [Nationalist Republican Alliance] have consistently rejected a dialogue as a way to resolve the country's basic need, which is the achievement of peace. In general terms, the rest of the political parties have been in favor of the dialogue and have even demanded a certain degree of participation, at least to be present during the development of the dialogue. I am referring to right-wing and center right-wing parties. Most of all, however, I would say that it is civilian society, Salvadoran society in general, through its labor, social, (?municipal), cultural, and religious organizations, that has insisted and has increasingly expressed itself in favor of the resumption of the dialogue, and it has also participated in the dialogue.

To [word indistinct] things at this time, I feel that in principle we have arrived at an agreement about holding a meeting in Mexican territory. The FDR proposed a concrete date to avoid treading on ambiguous ground regarding the terms established by Engineer Duarte, who proposed a date between 19 and 26 August. We have publicly proposed that the preparatory meeting begin on Wednesday, 20 August. Although it is assumed that the government agrees with this, the proposal has not yet been officially answered by the government through the mediators. Our proposal was made on 7 August, and to date we have not received a formal, favorable answer from the Salvadoran Government. We hope the answer will be favorable, because it will be difficult for the government to renege on its own words, promises, and offers. The government proposed the preparatory meeting in Mexico, which coincided with the position our fronts had expressed to the archbishop at the meeting in Perquin. Therefore, the two sides concur on this point, which allows us to foresee an agreement. I repeat, the government seems to make these proposals in the hope that we will reject them, and when we accept them it becomes befuddled and seeks ways to evade its own proposals.

Despite this, however, we feel that the preliminary meeting will be a positive step, but we will have to discuss the terms on which a meeting should take place in order for it to be a serious, fruitful dialogue, not a dialogue that will turn into a game of false appearances.

[Reporter] Suppose the government says yes, Dr Ungo, and the preliminary talks in Mexico take place. Who will represent you in Mexico?

[Ungo] We have not yet officially and publicly designated the people who will represent us. You must not forget that these preparatory meetings are private. This does not mean that they must take place behind the people's backs, but that once the agreement is made the people will be informed. The preliminary meetings will be to prepare the third meeting, so they will not involve substantial issues related to the problems, causes, and points that would lead to a political solution.

I believe our delegation will be of a level high enough to discuss procedural issues. The government has not yet announced the members of its delegation. It is clear that for the third meeting in El Salvador our delegation will be of the highest level in regard to the two fronts, that is, it will be formed by the commanders of the General Command, Commanders Leonel Gonzalez and Joaquin Villalobos, and the president and vice president of the FDR, who are yours truly and Companero Ruben Zamora. Duarte himself has said that he will be present, although he has not said who will accompany him.

Regarding the preparatory meeting, we are still awaiting a positive answer from the government before officially forming our delegation. But, I repeat, it will be formed by people known to all Salvadorans.

[Reporter] Doctor, if the preliminary meeting in Mexico succeeds, would you be willing to meet in San Miguel or San Francisco Gotera as the government would like?

[Ungo] We have been forced to discuss publicly some issues such as confirming that there may be an agreement regarding the preparatory meeting in Mexico. We feel that the mechanics that should be followed -- and we have fulfilled this during the time since the dialogue began in La Palma -- is that these issues should be discussed privately with the mediator, and once an agreement is reached it should be announced to the people, because if we do not do it this way it will seem as if we want to make the dialogue another instrument of guerrilla politics, an instrument of propaganda. This is what the government has done. For more than 2 years it has been talking about a dialogue that has not taken place. This is why we do not feel that it would be advantageous to inform the public of these issues until they have been finally decided. Once decided, we can clearly establish our position and the government's.

We published a communique in response to the propagandist and manipulatory campaign carried out by the presidential spokesman because we felt obliged to inform the people of the situation. In the communique we said that we made our own proposal, and we made important objections to Engineer Duarte's proposal, which at that time referred only to San Miguel and San Francisco Gotera and did not include Berlin. We objected for security reasons. We cannot be naive when not only our delegation's security but the security and feasibility of the dialogue are at stake; that is, the search for a political solution is at stake. It is very clear that in those areas the military commanders have not respected the agreements that the Salvadoran Government has made on various occasions.

Recently, when the archbishop visited Morazan, it was very clear that there was military (?action), although the archbishop had requested that the High Command refrain from military activity.

During the Christmas truce it was also evident that the commanders in the eastern part of the country not only did not comply with the truce, but publicly rejected the agreement. The commitments [words indistinct] the commander in chief of the Armed Forces, Engineer Duarte. There was military action and a lack of respect for the Christmas truce. When the trading of prisoners and wounded troops took place there were military actions in several areas, especially in the zones in question, which endangered the adequate fulfillment of the operation. Therefore, we cannot trust a president who everyone, not only in the country but abroad, knows is subordinated and limited. The president may have good intentions, because he is not the leading factor of power.

[Reporter] In one word, he does not have absolute power?

[Ungo] Exactly. He has very limited power, very little space, as he himself has said when he [words indistinct] postponed or rejected the possibility of resuming the dialogue. Therefore, we must look at the situation with a constructive spirit. At the meeting we will measure the government delegation's willingness to hold the dialogue within the country in accordance with the speech Engineer Duarte made on 1 June, and which has already been denied by the [words indistinct] because he said the dialogue could take place between the end of July and the beginning of August, but he never established a date.

[Reporter] Dr Ungo, precisely because of these disagreements and contradictions, those who phone this radio station sound discouraged. Every time I speak to you or Dr Zamora, I keep repeating the same questions posed by listeners from all social sectors. These people say they no longer believe in dialogue because of the many contradictions. Now, Doctor, it is no secret to anyone that it is the United States that manipulates the Central American policy. I think -- a listener, a professional told me this -- that if you, the people who represent the rebels, do not get in touch with the Americans, this is going to fail, because if the Americans do not want this to succeed, it will not, unless you consult the Americans. What can you tell us about this?

[Ungo] Well, this is a relative, not an absolute, truth. We really mistrust the government's posture and offers, yet we cannot reject them because of this. We must make all possible efforts to resume the dialogue. This is why we have proposed a meeting in Perquin. Now we expect to agree with the government on this preliminary meeting to discuss pratical aspects that sometimes prove to be an obstacle to the dialogue. We would discuss them in Mexico with an open, flexible, and constructive spirit, yet also free from any naivete. Regarding this, I feel the best way to give dialogue a better chance is the presence of and participation through the news media of the various social sectors, particularly those that are organized, such as those in institutions and professional, trade union, peasant, religious, and cultural associations, etc. The participation that they have been demanding was agreed upon in a joint communique issued at La Palma, when we said that it was the responsibility of the two sides to seek the mechanisms, methods, and ways for the various social sectors to participate in the search for a political solution. We feel that this would be the best contribution for the dialogue to be serious and consistent and not become a tactic by the parties.

Now, regarding the United States, as you would surely remember, since the beginning, in 1981, I said something in this regard. I said it was necessary to talk to the owners of the circus. We still feel that way. Unfortunately, the strategy of the U.S. Administration headed by Reagan opposes dialogue.

[Reporter] You people have not yet talked to the circus owners?

[Ungo] Not yet, because they do not want to. They seek all possible ways to increase tension in the region, and they know perfectly well that dialogue would cause detente. This is why they reject dialogue, although they speak in favor of it. This is why we have seen the dialogue with Nicaragua interrupted at Manzanillo and their permanent sabotage through their special envoys, such as Stone, Shlaudeman, and Habib, in the area, precisely to sabotage the Contadora dialogue. They are not really interested in dialogue in El Salvador, but in a military solution.

We must keep insisting on looking for ways to talk, as that professional said, with the U.S. Government. We continue to be open to talks. Once in a while we have been able to talk to some leaders in some countries. But it is not their policy to find out exactly what we think and which common points we have and where we disagree. Now we can only speculate, a very ideological speculation, and in disagreement with reality. There is still another way to talk with the Reagan government: through the Salvadoran social sectors. This is to say, the people are more and more aware that it is the main factor of power in our national life, an external factor that unfortunately has intervened in the country. This could generate a feeling of powerlessness, but also a greater awareness so that this foreign power understands that local power, social factors, and the society at large want a national solution of their own. This is the only thing that could change the U.S. policy.

Let us keep in mind that this is what happened in the Philippines and Haiti. Americans gladly dealt with dictators Marcos and Duvalier, had much business with them, supported them, and felt this was a great way to defend their interests -- security, national, and hegemonic. Nevertheless, when the Haitian and Philippine peoples stood up, the U.S. Government headed by Reagan understood that it could not swim against the tide. It had to accept this reality and try not to be affected negatively by such a new reality. It had to adjust to this new reality and even try to influence this new reality. This is why we can make Reagan see that, to the extent that his policy is completely unpopular in all social, economic, and political sectors, the U.S. Administration will defeat its own objectives and will have to adjust to a new policy.

[Reporter] Finally, Doctor, did you meet with President Duarte during his visit to Colombia?

[Ungo] No, I did not attend Prsident Virgilio Barco's inauguration, so I was not in Bogota and, consequently, did not meet with Duarte.

[Reporter] Do you contact him by telephone?

[Ungo] No. He speaks much about dialogue but keeps avoiding it.

[Reporter] Thank you, Dr Ungo, for this interview for Cadena Sonora.

[Ungo] Roberto, I thank you and this radio station for this opportunity to address the Salvadoran people, because the Duarte government does not offer too many opportunities for such a dialogue and necessary and basic political contact, one of the fundamental liberties of the Salvadoran people. This opportunity has helped us clarify our position and address the positive and negative sides of the resumption of dialogue.

GUATEMALA

CEREZO TO ADDRESS UN, TOUR EUROPE FOR 27 DAYS

PA120447 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Aug 86

[Text] President Vinicio Cerezo will travel to New York on 27 September, where 1 day later he will address the UN General Assembly to explain Guatemala's democratic process and the consequences Central America faces if there is war in the area. He will also explain Guatemala's neutrality policy toward the Central American governments.

On 30 September Cerezo will begin an extensive 27-day tour of Europe. He will visit Italy, Spain, Belgium, Germany, France, and Switzerland and will try to obtain financing from the governments of these countries for development projects. He will also seek economic cooperation and improved relations with those countries. The names of the delegates who will accompany the president have not been disclosed, but it is expected that during the course of the month this information will be revealed.

HONDURAS

ARMED FORCES ISSUE COMMUNIQUE ON ZELAYA INCIDENT

PA122321 Tegucigalpa Voz de Honduras Network in Spanish 2215 GMT 12 Aug 86

[Communique No 37 issued by General Humberto Regalado, commander of the Honduran Armed Forces through the Directorate of Public Relations, in Tegucigalpa, dated 12 August]

[Text] The commander of the Armed Forces, via the Public Relations Directorate, reports to the general public that the following measures have been taken in relation to events that took place on Friday, 8 August, at the residence of honorable Alternate Deputy Rodolfo Zelaya:

1. Establishment of a special commission of high-ranking officers of the Armed Forces with full authority to investigate the incidents to determine whether the officers allegedly involved in them are indeed guilty.

2. Temporary suspension of Colonels Wilfredo Sanchez Valladares and Roberto Nunez Montes from their positions while the special commission prepares its report on the incidents that brought about this investigation.

3. Via the corresponding channels, requesting that the sovereign National Congress allow Alternate Deputy Rodolfo Zelaya to provide the special commission with specific information to help it clarify these incidents.

4. Reiteration to the Honduran people that the Honduran Armed Forces respects the laws and guarantees specified in the country's Constitution.

Tegucigalpa, Central District, 12 August 1986 Public Relations Directorate, Honduran Armed Forces.

NICARAGUANS ACCUSED OF 'MANIPULATING' OPINION

PA120444 Paris AFP in Spanish 2239 GMT 11 Aug 86

[Text] Tegucigalpa, 11 Aug (AFP) -- The Honduran Armed Forces today asserted that several "terrorists who are paid by communists" are working as journalists in this country. The Honduran Foreign Secretariat has said that the Nicaraguan Embassy in Tegucigalpa "manipulates" Honduran opinion sectors.

In a publication called MILITARY PROJECTIONS, the Armed Forces' Public Relations Directorate -- without citing evidence or names -- has said that some "terrorist" journalists are graduates of the Honduran Autonomous University and are "trained by the communist cadres established by leftists."

The publication continues: "We must add to this the multiplying effect that results from the commercial fodder that certain communists and leftist leaders offer to the journalists who are not ideologically theirs" but whom they buy.

The publication asserts: Thousands of guerrillas specialized in subversion, including "terrorist journalists who have succeeded in attaining leading posts in the country's most important news media," are graduates of the Patriceo Lumumba Soviet university.

To this accusation, another by the Foreign Secretariat was added today, saying that the Nicaraguan Embassy "manipulates Honduran public opinion sectors" to improve its country's standing in the issue against Honduras presented at The Hague. Honduras is being accused of permitting the operations of anti-Sandinist counterrevolutionaries.

According to a communique disseminated today, the accusation is based on "reliable information" received by the Foreign Secretariat that "a diplomatic mission with direct interest in the matter" is currently promoting Hondurans taking a position favorable to the demand.

The Foreign Secretariat added that the "manipulations take place in the shelter of the unrestricted freedom of the press that the Honduran Government guarantees." The communique also asserted that "agents of the interested mission have been manipulating Honduran public opinion against the approval of the maritime delimitation treaty signed with Colombia last week. [quotation marks as received]

Through this treaty, Colombia ratifies its sovereignty over the San Andres and Providencia Islands, claimed by the Sandinist government since 1979.

Several deputies, politicians, and labor leaders have opposed the treaty, claiming it violates the Constitution because it cedes to Colombia three-fourths of Serranilla Cay, historically claimed by Honduras. The Congress has not yet ratified the treaty.

NICARAGUA

D'ESCOTO CALLS U.S. 'BANDIT' ON ICJ RULING

PA120337 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 11 Aug 86

[Text] Foreign Minister Father Miguel D'Escoto Brockman today described the United States as a bandit for not abiding by the ruling fo the International Court of Justice, which called for an end to U.S. aid to mercenary groups attacking Nicaragua.

Father D'Escoto told a national newscast that the international community must insist that the United States respect and fulfill its international commitments.

He also said that the Contadora Group continues to carry out the most noble effort in Latin America in the name of the principle of nonintervention. D'Escoto said in conclusion that the United States is pressuring Central American countries not to sign the peace document presented by that group.

PSD CRITICIZES ORTEGA'S 'CHICAGO PROPOSAL'

PA120413 Hamburg DPA in Spanish 2227 GMT 11 Aug 86

[Text] Managua, 11 Aug (DPA) -- The opposition Social Democratic Party (PSD) today issued a statement criticizing the "Chicago Proposal" made by President Daniel Ortega, saying that it is not enough to achieve a political solution to the "serious crisis that is burdening" Nicaragua.

The PSD said that the "Chicago Proposal," proposes talks with the U.S. Government, which is supporting the anti-Sandinist forces who are trying to topple the Sandinist regime in Managua, and because of this the internal forces in Nicaragua do not agree with the proposal.

The statement adds that the Sandinist proposal, which was presented to the White House a few days ago by the Nicaraguan ambassador in Washington, "deliberately omits a national dialogue, which has so often been demanded by the Nicaraguans," making the Sandinist initiative somewhat "sterile and demagogic."

The statement, said that a "national dialogue," which "would achieve Nicaragua's internal democratization, would automatically lead to peace and reconciliation among the Central American peoples and governments. [quotation marks as received]

PLI CONGRESS MEETS, REELECTS GODOY PRESIDENT

PA122259 Managua Radio Sandino in Spanish 1930 GMT 11 Aug 86

[Excerpts] Virgilio Godoy has been reelected president of the Independent Liberal Party [PLI]. However, the party congress did not approve the idea of a maximum leader.

This statement was made to this radio station by Eduardo Coronado, a candidate for the presidency of the PLI. Coronado, a candidate who opposed Godoy, said that during yesterday's meeting very serious decision were made regarding the party's strategy, and the national leaders were chosen. However, Coronado said that some of the main issues, like the one regarding the constitutional debates, were not discussed. This means that the party's position expressed in October 1985, which calls for the party to refrain from attending the debates, remains valid. The PLI has stated that it will refrain from attending the debate so long as the state of emergency is not abolished. [passage omitted]

[Begin recording] [Coronado] The elections were held democratically. Candidates were presented, and the vote of the majority decides the winner. Yesterday's election was very important. We chose our authorities. I was the candidate running against Godoy, but his ticket was the winner. We must respect the decision of the majority, because we are a democratic party, and continue in the struggle to democratize Nicaragua and in the search for peace and ways to unite the Nicaraguan people. [passage omitted]

[Reporter] Now that the situation has changed, now that the United States had declared war on Nicaragua -- through the U.S. Congress' approval of the $100 million in aid to the contras -- will you change your position and admit that the state of emergency is necessary?

[Coronado] I believe we should attend the debates, but this attendence should be conditioned to some minimum requirements. Perhaps this attendance could help create some laws that will soften restraining measures and allow the political parties to develop more suitably. Currently the political parties are being restrained by a strait jacket because of the approval of the $100 million, which means an increase in the actions of the counterrevolution. It is quite normal that measures should be adopted to counteract this action, but these should not be restraining measures, especially for political parties. [passage omitted] [end recording]

CASTRO RECEIVES AWARDS FROM USSR, MONGOLIA

FL121445 Havana Radio Reloj Network in Spanish 1402 GMT 12 Aug 86

[Text] President Fidel Castro, first secretary of the Communist Party of Cuba, has been decorated with the Lenin Order as decreed by the Presidium of the USSR Council of Ministers.

The award was presented to Castro in response to his merits in promoting and developing multilateral friendship and cooperation between the peoples of Cuba and the USSR and the great support he provides to the consolidation of peace and socialism, says the document. The achievements of the Cuban revolution and its international prestige are linked to his tireless struggle heading the party and state of that caribbean island, stresses the resolution issued by the USSR Supreme Soviet, which underscores Castro's merits.

Castro, president of the Council of Ministers, was also decorated with the Sukhe Bator Order according to a decree issued by the presidium of the people's great Hural of Mongolia.

CPSU, DPRK Leaders Laud Castro

PA122030 Havana International Service in Spanish 1800 GMT 12 Aug 86

[Text] President Fidel Castro has been awarded the highest decorations from the Governments of the Soviet Union and Mongolia, the Order of Lenin and the Sukhe Bator, respectively.

He has been distinguished with these awards for his work in support of peace and socialism and on the occasion of his 60th birthday.

The Supreme Soviet Presidium, the CPSU Central Committee, and the USSR Council of Ministers have sent a congratulatory message to the Cuban chief of state on the occasion of his birthday. The message emphasizes his contributions to the struggle to end the arms race and against imperialist oppression and exploitation.

The leader of the DPRK, Kim Il-song, also sent a congratulatory message to Fidel Castro for the same reason. In his message, the Korean leader notes the efforts the Cuban president has made for the international communist movement and the countries of the Nonaligned Movement.

CROMBET MEETS WITH GDR POLITBURO MEMBER

FL121400 Havana Radio Progreso Network in Spanish 1100 GMT 12 Aug 86

[Text] In Berlin, Guenter Mittag, member of the Socialist Unity Party of Germany (SED) Politburo and Secretariat, has held a friendly meeting with a Communist Party of Cuba delegation headed by Jaime Crombet.

Mittag explained the agreements reached at the 11th SED Congress to Crombet, member of the Communist Party of Cuba Central Committee and Secretariat. Above all, Mittag discussed economic and social policies as well as affairs related to scientific-technical cooperation with Cuba.

MALMIERCA BESTOWS MEDAL ON CSSR AMBASSADOR

FL120230 Havana Radio Reloj Network in Spanish 0202 GMT 12 Aug 86

[Text] Fulfilling an agreement of the Council of State, Isidoro Malmierca, Central Committee member and foreign minister, has bestowed the Friendship Medal on CSSR ambassador to Cuba Milos Vojta. Malmierca underscored that that medal is conferred on those who individually or collectively do outstanding work in strengthening mutual cooperation and helping develop ties between peoples. He added that Milos Vojta is a great example of those characteristics, and with his effort he has been an exemplar participant of the development of the Cuban-CSSR relations.

Upon receiving the Friendship Medal, the CSSR ambassador in Cuba thanked Malmierca for cooperating with him during his mission.

COLOMBIA REPORTEDLY CONSIDERS RESTORING RELATIONS

FL122218 Havana Radio Reloj Network in Spanish 1802 GMT 12 Aug 8

[Text] The new Colombian Government is considering reestablishing diplomat relations with Cuba. The Bogota newspaper EL ESPECTADOR indicated that the decision is expected in a relatively short period of time.

CUBA TO ATTEND PAN-AMERICAN GAMES IN INDIANAPOLIS

PA130254 Havana International Service in Spanish 2300 GMT 12 Aug 86

[Text] Cuba will ask to be the site of the Pan-American games in 1991 and will send a delegation to the games to be held in 1987 in Indianapolis. This was reported here by Conrado Martinez Corona, president of the National Institute of Sports.

Cuba's decision to host the games in 1991 and to attend the 1987 games is in keeping with the proposals put forth by ODEPA, the Pan-American Sports Organization, in a message to Manuel Gonzalez Guerra, president of the Cuban Olympic Committee.

The document asserts that when granting the site of the 1987 games to the United States, ODEPA never intended to offend Cuba's sports entities or its athletes and officials. It behooved Chile to organize these continental games, but it declined to host them, as did Ecuador, which was the alternate.

The president of OPEDA, Mexican (Mario Vasquez Rana), had promised that they would be ceded to Cuba but, in a surprise move, the 1987 Pan-American Games were assigned to the United States in November 1984.

In its message to Gonzalez Guerra, ODEPA asserts that it would be pleased to see Cuba host the games in 1991 and attend the 1987 games. The Cuban sports system has responded in the affirmative to these requests.

COMMENTARY: GATT MEETING FAILURE 'SEEMS CERTAIN'

PA120328 Havana International Service in Spanish 0000 GMT 10 Aug 86

["Viewpoint" commentary, read by Angel Hernandez]

[Text] Ever since the capitalist system rose from the ashes of feudal aristocracy, commerical contradictions have underpinned relations among the so-called free enterprise countries. The development of the system and its change into imperialism, far from lessening commerical conflicts, has deepened and expanded them. If, initially, contradictions among capitalists were seen only in several products, at present, and practically in all areas, bargaining, tariff give and take, and disputes over markets, state subsidies, and hundreds of schemes and ruses prevail. However, the interrelationship of the economy in today's world is such that the exchange of blows among the imperialistic potentates has negative repercussions on the underdeveloped nations, which, in addition, are the victims of the transnational companies' shameless search for profits.

Protectionism, high tariffs, reduction of import quotas in the large capitalist markets, the low prices for the raw materials the Third World exports, interest rates, and the foreign debt constitute fundamental factors in the increase of poverty and growing deterioration of the crisis in poor countries. These topics are once again news on the occasion of the meeting which GATT members will hold in Uruguay in September. According to forecasts by distinguished experts, this meeting will be more than a new round of clashes among the United States, Western Europe, and Japan, because if the meeting fails it will cause an international trade war.

According to Uruguayan Foreign Minister Enrique Iglesias, the meeting's major problem will be agricultural production and its exchange. In addition to the regions already mentioned, great producers from other continents are involved. The major aspects of this topic will involve protectionism and agricultural subsidies, practices which have become the norm in the United States and Western Europe. For example, sugar, wheat, and rice are the object of these practices, which greatly affect the Third World.

The failure of the meeting seems certain, if we consider that amid new threats by Washington and the so-called EEC to mutually harm each other regarding a high number of agricultural products, Argentine Ambassador to the GATT (Leopoldo Setamanti) accused the major powers of having caused the failure of the preparatory committee meeting held on Thursday in Geneva. No truly important document was approved then. Before the GATT meeting, there will be a meeting at the ministerial level among the agricultural producers of the Southern Hemisphere to draft a joint stance vis-a-vis the EEC and the United States. (Leopoldo Setamanti) could not have been clearer when he told a French news agency a few days ago that if the GATT does not reach any agreement during the Uruguay conference in September, it would have signed its death sentence.

MERCHANT MARINE FLEET ADDS TWO VESSELS

FL120157 Havana Radio Rebelde Network in Spanish 2300 GMT 11 Aug 86

[Text] The Cuban maritime fleet has increased its dead weight cargo capacity with the addition of the Bahia de la Habana and West Island vessels in the last few days, the Transportation Ministry has reported.

HAITI

NAMPHY INSTALLS NEW GOVERNMENT ORGANIZATION

PA122026 Paris AFP in Spanish 1323 GMT 12 Aug 86

[Text] Port-au-Prince, 12 Aug (AFP) -- General Henri Namphy, president of the National Government Council (CNG), today invested the members of the Commissariat for National Development of Public Administration.

This new organization, directly dependent on the executive branch, replaces the Planning Ministry, whose official, Jacques Vilgrain, was appointed minister without portfolio by the CNG. The new organization is headed by a general commissioner -- Garvey Laurent, an agronomist who did most of his training abroad, mainly in Africa -- and two assistant commissioners, Jacques Lorthe and Jeane Conde.

JAMAICA

SOUTH KOREAN MINISTER PAYS 3-DAY VISIT

FL122305 Kingston THE DAILY GLEANER in English 8 Aug 86 p 1

[Excerpt] South Korea's minister of communications and a special envoy to President Chon Tu-Hwan of the Republic of Korea, Mr Yi Cha-hon is in Jamaica on a three-day official visit. He arrived here on Wednesday night on his first visit to Jamaica and the Caribbean. The purpose of the visit is to hold top level discussions with leaders of the Jamaican Government on matters of mutual concern as well as the means of further strengthening the ties of friendship and cooperation existing between the Republic of Korea and Jamaica.

Mr Yi and his entourage had private talks with the Rt Hon Hugh Shearer, deputy prime minister and minister of foreign affairs and foreign trade at his ministry, New Kingston, yesterday morning. In the afternoon he and his party paid a courtesy call on the governor general of the Most Hon Sir Florizel Glasspole at King's house. Prior to holding private talks with Mr. Shearer, the Korean minister presented the deputy prime minister with a letter of introduction from the Korean president. [passage omitted]

GUYANA

HOYTE MAKES CHANGES IN TIES WITH U.S., USSR

PA100445 Paris AFP in Spanish 0206 GMT 10 Aug 86

[Text] Georgetown, 9 Aug (AFP) -- Guyana's relations with the United States and the USSR have seen a substantial change in the last few months as a result of the foreign policy of Desmond Hoyte, Forbes Burham's successor.

Among the first results are the importation of 28,000 tons of wheat flour from the United States at a cost of $3 million, a U.S. offer of $1.7 million to develop agricultural programs, and the establishment of a Soviet commercial office in this capital instead of just a commercial attache.

After signing the flour agreement, the U.S. Embassy emphasized the benefits "of President Hoyte's measures, which have produced a better balance in foreign policy and an end to anti-American rhetoric. The measures have also allowed the public sector to be more efficient, and they have allowed for an increase in public and private investments as well as for the development of relations with the United States and its neighbors in the Caribbean and Latin America." U.S. economic aid was suspended in September 1982 during Burnham's government.

Moreover, the Soviet Embassy in this capital said that with regard to the establishment of a commmercial office, the Guyanese Government could do the same in Moscow.

SURINAME

NETHERLANDER TO ASSIST IN HOSTAGE RELEASE

FL120227 Paramaribo International Service in English 1730 GMT 11 Aug 86

[Text] Prime Minister Pretaap Radhakishun last Saturday complained that the Brunswijk affair is taking the attention of the government away from serious issues which have to be dealt with. The prime minister was speaking at a press conference when he disclosed that (Andre Haghmad) was now a spokesman for Brunswijk in Holland. He is welcomed to Suriname to get the (?twelve) hostages out of the hands of Brunswijk. This invitation was repeated in Holland by Dutch journalist (Oblansk), who is a free contributor to Suriname. He said that the information comes from official sources.

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ALFONSIN TO VISIT U.S., CANADA, SOVIET UNION

PY132141 Buenos Aires TELAM in Spanish 1107 GMT 13 Aug 86

[Text] Buenos Aires, 13 Aug (TELAM) -- LA NACION today reported that according to government sources President Raul Alfonsin will visit the United States again next November on an official tour that will also include a 3-day visit to Canada.

The daily did not give the dates of the visits, but the sources indicated that the visit to the United States will be made reportedly to visit five or six U.S. cities in answer to invitations from several U.S. universities.

The report also indicates that there is the possibility that President Alfonsin may contact high-level Washington officials, including President Ronald Reagan.

According to the newspaper this trip would be justified in the face of the U.S. subsidies for its grain exports to the Soviet Union and the PRC and the funds approved to help the contras in Nicaragua, which is heating up the situation in Central America.

LA NACION reports that Alfonsin will visit Montreal and Ottawa, where he will meet with Prime Minister Brian Mulroney.

LA NACION also added that Alfonsin will visit the Soviet Union from 12 to 19 October and that the sources also indicated the possibility that during this tour Alfonsin could make a brief stop in Poland and perhaps Sweden after the Moscow visit.

PRESIDENT TO ATTEND ZIMBABWE NONALIGNED MEETING

PY132335 Buenos Aires DYN in Spanish 1237 GMT 12 Aug 86

[Text] Buenos Aires, 12 Aug (DYN) -- Reliable sources have noted that President Raul Alfonsin will attend on 30 August the meeting of the Nonaligned Movement in Harare, Zimbabwe, because the government is interested in actively participating in the Nonaligned Movement.

In principle Alfonsin is scheduled to visit only Zimbabwe where he will stay for "a couple of days," and where he will deliver a speech. After this he will return to Buenos Aires, but he might visit another country.

According to the same sources, Alfonsin has been offered the presidency of the Nonaligned Movement. The offer was made by Yugoslavia and Brazil because the term of the present president, India's Rajiv Gandhi, ends this year.

It was also noted that President Alfonsin rejected the offer mainly because of what he believes is the "precarious condition" of the Argentine foreign service.

The same sources added that if Alfonsin presides over the Nonaligned Movement, the Foreign Ministry would have to virtually double its work abroad because about 100 Argentine embassies would automatically become the headquarters of the Nonaligned Movement and would have to look after its operations in the various member-countries and to set up a structure, which, because of the present budget cuts, cannot be established.

The sources noted that despite Alfonsin's refusal, Argentina's interest in the movement remains intact and that the recent statements and positions upheld by Alfonsin in the Group of Six meeting and regarding the Central American situation shows that the Radical Civic Union [UCR] administration has not undergone a change in favor of the United States. It is still striving to maintain a distance from the two superpowers, despite the fact that it identifies itself with the Western nations.

FOREIGN MINISTRY DENIES ARMS SALES TO S. AFRICA

PY140156 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2205 GMT 13 Aug 86

[Text] Buenos Aires, 13 Aug (NA) -- The Argentine Foreign Ministry today rejected reports that Argentina is planning to sell arms to South Africa. According to the ministry, these reports "are totally groundless" and designed to "sow discord" among countries opposing the Pretoria regime's policy of racial discrimination.

The Foreign Ministry released a communique this afternoon rejecting an article published in the Brazilian newspaper FOLHA DE SAO PAULO on Sunday, 10 August. This report, which had been picked up by Argentine news media, stated that the Argentine Government is planning to sell 27 Mirage fighter planes to South Africa. The text of the communique follows:

The Argentine Foreign Ministry wishes to make it clear that the remarks about the military materiel which the Argentine Government is planning to sell to South Africa included in an article by Roberto Lopez entitled "Sale of 27 Mirages to South Africa" and which appeared in the newspaper FOLHA DE SAO PAULO on Sunday, 10 August, are totally groundless.

Thus, the reports that various national and foreign news media carried on the article, are hereby denied.

Argentina severed diplomatic relations with South Africa on 22 May and has been strictly complying with the arms embargo established by the UN Security Council.

The disseminated reports have no other explanation than the existence of sectors which seek to sow discord among countries that, like Argentina, actively oppose racial discrimination and support the struggle of the African people against apartheid.

LAW GRANTS LAND FOR NEW FEDERAL DISTRICT

PY132208 Buenos Aires TELAM in Spanish 2216 GMT 12 Aug 86

[Text] Buenos Aires, 12 Aug (TELAM) -- Rio Negro Province Governor Osvaldo Alvarez Guerrero tonight handed over to President Raul Alfonsin a copy of Law 2086, according to which a 300,000-hectare tract of land is granted to the nation, to found the new federal district.

This announcement was made by Alvarez Guerrero at the conclusion of a meeting in which Alfonsin expressed his gratitude for the enactment of the law, which will pave the way for the solution expected by all of us.

The Rio Negro governor described this as a historical event, an important starting point from the legal viewpoint for all Argentines.

SODRE ON INFORMATICS; SALMORIA WARNS U.S.

PY131724 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Aug 86 p 24

[Text] Brasilia -- Foreign Minister Abreu Sodre yesterday again caused concern among the defenders of the reserved informatics market. In a report broadcast over Radio Nacional, he said that "Presidents Jose Sarney and Ronald Reagan will sign a cooperation treaty in September on informatics." Sodre made this statement on 9 August in Terezina but contradicted himself yesterday afternoon after realizing the concern that he had caused at Planalto Palace and at the Science and technology Ministry. According to diplomatic sources, the foreign minister has confused the act, which is normally signed at the end of all talks, with a treaty.

Correcting himself, Sodre stated Sarney and Reagan will talk about informatics only if the subject has already been completed at the round of technical talks held in Geneva, Caracas, and Paris by delegations of the two countries. He expects that 20 percent of the still-to-be-discussed issues will be settled at the Paris meeting.

"I am optimistic about the final result. I believe that after the doubts raised by the United States, the number of controversial subjects have been reduced considerably, with the possibility of reaching a satisfactory result," Sodre stated. However, he added that in case he is mistaken, there will be a third round of talks at the technical level preceding President Sarney's visit to the United States on 10 September.

In a speech delivered in the Chamber of Deputies yesterday, Deputy Odilson Salmoria [PMDB, Santa Catarina State] warned the U.S. Administration that an "authoritarian" U.S. action toward the Brazilian informatics law could cause the resurgence in Brazil of "an anti-American feeling that would have very bad consequences, not only in trade relations but also in political relations between the two countries." The deputy, who is one of the main defenders in the Chamber of Deputies of the reserve market, referred in his speech to the round of talks that began yesterday in Paris between Brazilian and U.S. representatives on this matter.

GOVERNMENT CONDEMNS SOUTH AFRICAN ATTACK

PY140201 Brasilia Domestic Service in Spanish 2200 GMT 13 Aug 86

[Text] In an official note released by Itamaraty, the Brazilian Government today condemned the military attack launched last weekend by South Africa against an Angolan military base in the Cuito Cuanavale region. The Brazilian Government repudiates this repeated aggressive action and expresses its solidarity with the Angolan Government and with all the victims of the South African aggressions.

PRESS PROHIBITED ON MILITARY TESTING GROUND

PY132114 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Aug 86 p 5

[Text] Ruben Bayma Denys, chief of the military household, yesterday said in Brasilia that there is no chance that the press will be allowed to enter the Serra do Cachimbo testing ground.

He added: "That is a military base, it will not be opened." Presidential Spokesman Fernando Cesar Mesquita said that "the Planalto Palace is not commenting on this issue."

Therefore, the PT [Workers Party] is going to submit a request to the Armed Forces General Staff (EMFA) for a special congressional inspection of the military base in Serra do Cachimbo. PT leader Deputy Luis Dulci (Minas Gerais) stated that the PT only wants the opinion of a group of nuclear physicists regarding the information published by FOLHA, which stated that the underground installations may be used for nuclear testing.

Deputy Amaral Netto (Rio de Janeiro), leader of the PDS [Social Democratic Party] stated that he supports any congressional initiative to clarify the real objectives of the installations built in Serra do Cachimbo. However, he is not going to ask for a visit or summon the ministers for explanations because he does not expect the request to be approved by the Chamber of Deputies. He added: "Ulysses (Chamber President Ulysses Guimaraes) would not approve it."

PT Deputy Irma Passoni (Sao Paulo) on 8 August announced that she is going to summon Mines and Energy Minister Aureliano Chaves and EMFA Chief Admiral Maria do Amaral. PT Deputy Jose Genoino (Sao Paulo) also plans to summon Science and Technology Minister Renato Archer.

Rio de Janeiro Prefect Saturnino Braga of the PDT [Democratic Worker's Party] said yesterday in Rio de Janeiro that "if the Serra do Cachimbo military installations are intended for nuclear testing, the society as a whole must make the final decision, because experiments with nuclear energy involve serious risks for the population."

Organizations linked to ecology and organizations such as the Lions and Rotary Clubs have called for a meeting at 0900 on 13 August in a hall of the Mato Grosso Legislative Assembly in Cuiaba to discuss the information published by FOLHA.

URUGUAYAN PRESIDENT DISCUSSES POLITICAL ISSUES

PY130328 Rio de Janeiro O GLOBO in Portuguese 11 Aug 86 p 3

[By Antonio Jorge Moura and Linalva Maria]

[Text] Salvador -- Uruguayan President Julio Sanguinetti, who today will start the official part of his visit to Brazil, supports President Jose Sarney's proposal to establish a demilitarized peace zone in the South Atlantic. Brazil will submit this proposal at the United Nations in September.

President Julio Sanguinetti revealed his country's position yesterday during an exclusive interview granted to O GLOBO and to the program "Good Morning Bahia," broadcast by Aratu TV station. According to Julio Sanguinetti; President Sarney and Argentine President Raul Alfonsin discussed this proposal in Buenos Aires.

I totally support the idea, and I look upon the South Atlantic issue from two points of view. The first is Brazil's political and military proposal to create a demilitarized zone. The second is fishing, the Uruguayan president said.

President Sanguinetti added that Sarney's proposal "is very important, but it poses a very serious poblem that has to be resolved, namely South Africa."

He said: This problem, however, does not preclude further development of the idea.

Sanguinetti went on to say that the fishing problem is a consequence of the Malvinas war. "There is a chaotic situation in the South Atlantic. Fishing resources are being plundered, and small and large world fishing powers, like Japan, Korea, and the Soviet Union, are carrying out indiscriminate fishing."

Sanguinetti said that he will not change his agenda in Brazil. Two events scheduled to take place in Montevideo today at the same time but in different places, are drawing public attention in his country. They are the special meeting of the Military Club to confirm the position of the Uruguayan Armed Forces against trials for crimes committed during the previous regime, and the "banging of pots" organized by the left wing Broad Front demanding punishment for those guilty of these very same crimes.

The Uruguayan president downplayed both events and added that in his country there are going to be many other simultaneous gatherings "prompted by marriages, soccer games, meetings of neighborhood associations and so forth." However, members of the president's entourage indicated that Sanguinetti is being kept constantly informed of what is happening, particularly in the military area. The call for a special meeting of the Military Club prompted the Uruguayan defense minister to order the arrest of two Army colonels.

Sanguinetti talked about the situation in Brazil, Argentina, and Uruguay, three countries on the road to democracy after long periods of military rule. In his opinion, these three countries of the South Atlantic region emerged from dictatorships at almost the same time, although the circumstances prevailing in each case were different.

Sanguinetti noted that "Argentina got rid of the dictatorship through the suicide of the military regime, which involved itself in the Malvinas war. Brazil got rid of the dictatorship by achieving a solution within the regulations of the military system. Uruguay got rid of the dictatorship through an agreement between the political and the military forces to call direct presidential elections."

In Sanguinetti's opinion, Brazil thus far has an unstable political party situation. "Nevertheless, I believe that the parties will become stable in the course of time. In Uruguay, both the Colorado Party and the Blanco Party are historic parties and for that very reason they are flexible and not dogmatic. Both parties act in a center position with sectors of the left and of the right. The prevalence of the center permits stability," Sanguinetti said.

Sanguinetti also expressed his concern over the Central American issue. Uruguay, along with Brazil, supports the Contadora Group efforts to achieve a political -- not military -- way out of the Central American conflict. Nevertheless, Sanguinetti emphasized this is difficult and sometimes frustrating because final peace has not been achieved yet.

He added: "It is time to think of an alternative because if the Contadora Group fails then Central America would no doubt face a war with great losses."

Concerning the resumption of diplomatic ties between Brazil and Cuba, which is also the case with Uruguay, Sanguinetti said: "We respect the people's self-determination principle and we demand that our right to self-determination be respected. We respect the nonintervention principle. We maintain relations with right-wing and left-wing regimes. We praise peaceful coexistence."

The wise tone that President Julio Sanguinetti gave to his statements on politics and economics gave rise to a comment during the 15-minute interview held yesterday shortly before the Uruguayan presidential entourage left the hotel where it was staying, on Itapua Beach, to visit the Model Market.

A journalist of the TV Aratu television station noted: "Sir, you have proven that you are a wise man."

President Sanguinetti replied: "He who is not patient cannot be a politician."

BRIEFS

NEW RADIOBRAS PRESIDENT -- Planalto Palace Spokesman Cesar Mesquita has announced that journalist Antonio Frota Neto, government spokesman for economic related matters, was appointed by President Sarney as the new director of Radiobras, the Brazilian Radiobroadcasting Company. Sarney has instructed Frota Neto to change Radiobras into a company for spreading government news and viewpoints. [Summary] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 6 Aug 86 PY]

SENATOR VARGAS DIES -- Brasilia -- Senator Leoni Vargas died at 1000 on 1 August at the Armed Forces hospital in Brasilia, where he had been hospitalized in the early morning hours of 31 July following a massive heart attack. [Excerpt] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 86 p 5 PY]

NEW AMBASSADORS APPOINTED -- The PRC Government yesterday approved the appointment of Paulo de Costa Franco as new Brazilian ambassador to the PRC. Costa Franco has already served in Japan, Lebanon, Jordan, Thailand, and Bangladesh. Meanwhile, Italo Zappa, who was the Brazilian ambassador to the PRC, has been appointed ambassador to Cuba. He will go at the end of the month. [Text] [Brasilia Radio Nacional de Amazonia Network in Portuguese 1000 GMT 6 Aug 86 PY]

AMBASSADOR TO PARAGUAY -- General Alfredo Stroessner's government has accepted the appointment of Orlando Soares Carbonar as the new Brazilian ambassador ot Paraguay. Soares Carbonar is currently the Brazilian ambassador to Paraguay. Soares Carbonar is currently the Brazilian ambassador to the international organizations based in London. [Excerpt] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 Aug 86 PY]

CRISIS SAID TO FORCE PINOCHET TO RESHUFFLE CABINET

PY131707 Paris AFP in Spanish 1642 GMT 13 Aug 86

[Text] Santiago, 13 Aug (AFP) -- Official sources have reported that President Augusto Pinochet is facing a partial cabinet crisis following the resignation of at least one of his ministers.

This fact was learned after a surprise meeting that General Pinochet held with all his ministers. After 2 hours of debate, it was decided that the cabinet would be reorganized. The sources also stated that the cabinet reshuffle will be carried out within the next few minutes during an official ceremony and that the chief of state will address the nation.

President Speaks

PY131947 Santiago Radio Chilena in Spanish 1700 GMT 13 Aug 86

[Relay by Eliana Henriquez from La Moneda Palace]

[Excerpt] Dr Juan Giaconi Galdolfi was installed this afternoon as the new health minister, replacing Winston Chinchon. The ceremony which was held in La Moneda Palace lasted approximately 20 minutes and was conducted by President Augusto Pinochet. All ministers and government officials attended the ceremony.

After installing the new minister, President Pinochet thanked the outgoing minister for his performance and referred to his achievements in the health sector, calling on Chileans to appreciate these achievements. He also urged Chileans not to let themselves be dragged by malicious criticism into deepening conflicts that favor political chicanery.

[Begin Pinochet recording] We have witnessed an infamous campaign aimed at distorting our real situation. Those who talk about bad health services in Chile do so because they do not see the difference between the health of the population and medical attention. [passage indistinct] and restrictions imposed by the harsh economic situation have created obstacles and have not allowed the government to reach its goals in the area of medical attention. We are well aware that there are problems with the medical attention in hospitals, but we are doing everything possible to overcome these problems. [end recording] [passage omitted]

MORE ARMS FOUND; SOVIET IMPERIALISM BLAMED

PY131850 Santiago Domestic Service in Spanish 1700 GMT 13 Aug 86

[Relay by Rosa Sanchez, from La Moneda Palace]

[Text] Eighteen people are under arrest at the CNI [National Intelligence Center] facilities in connection with the discovery of a huge arsenal near Vallenar, in the 3d Region. This information is included in a communique that National Social Communications Directorate head Marcelo Venegas has just released here at La Moneda Palace.

The communique states: In connection with the terrorist facilities discovered a few days ago in Carrizal Bajo in the 3d Region, the security personnel who are conducting the investigation into this subversive activity have discovered another arms cache in the area. The newly found cache contained 56 U.S.-made automatic M-16 rifles. The security personnel are continuing their investigations in the area. The possibility of finding more arms and equipment has not yet been ruled out.

Eighteen people are under arrest at the CNI facilities in connection with investigations into this crime. Six of the detainees are being held in Santiago, and the remaining 12 in La Serena.

Venegas also released the list of the 18 arrested persons: Enrique Ayala Alvarez; Carolina Diaz Jantzen; Malva Medina Hernandez; Hector Manuel Miranda Cuevas; Mabel Roberto Rivera; Patricio Stange Espinola; Nelson Ascensio Pardo; Alex Castro (Cadi); Jorge Concha Gonzalez; Pablo Flores Castillo; (Doris Cartes Barrios); Mauricio Gomez (Roger); Carlos Manzano (Biolgo): Alfredo (Malbrith Baltra); Juan de Dios Marques Miranda; Italo (Moya Escanilla); Rafael Pascual Arias; and (Mardoceo Saavedra Silva). This list includes the six persons who were arrested near Vallenar when the first arsenal was discovered.

Minister Secretary General of Government Francisco Javier Cuadra then told journalists that the government is planning to report the discovery of the huge arsenal near Vallenar to international organizations. Cuadra explained that Chile will not only officially denounce the action, but it will also ask the rest of the world to assess this intervention by Soviet imperialism, which is trying to undermine the foundations of Chilean society. He added that the main agenda items at this morning's cabinet meeting, which was presided over by President Pinochet, were the discovery of the arsenal and its implications.

Further Details on Arrests

PY131620 Madrid EFE in Spanish 0342 GMT 13 Aug 86

[Excerpts] Santiago, 12 Aug (EFE) -- Six people were arrested early this morning by the Chilean political police for their alleged connection with the arsenal of the armed opposition Manuel Rodriguez Patriotic Front (FPMR) group. [passage omitted] The people arrested today in Santiago for alleged links with the arms case have been identified as Dr Patricia Stange Espinola, Carolina Diaz Jantzen, Victor Manuel Miranda Cuevas, Malva Medina Hernandez, Mabel Roberto Rivera, and Carolina Duran Ramirez.

The Vicariate of Solidarity of the Santiago Archbishopric today submitted a request for an injunction on behalf of the people arrested in this case, in addition to six people whose houses were raided but who were not found. [passage omitted]

Admiral Merino today said during a press conference that the arms, most of them U.S.-made and second-hand (as in the case of the M-16 rifles), were probably "taken by the Vietnamese during the Vietnam war and then taken to the Soviet Union, and from there distributed through Libya and Cuba."

According to reports released by the CNI, the arsenal discovered in Carrizal Bajo had as its final destination the FPMR groups in Santiago, Concepcion, and Temuco. Concepcion and Temuco are located 500 and 700 km south of Santiago, respectively. The CNI also reported that a connection could be established between the Movement of the Revolutionary Left (MIR) and the FPMR. The MIR overseas organization reportedly is conducting a campaign to obtain funds and weapons for the use of the FPMR in Chile.

6 Suspects Released

PY150257 Santiago Radio Chilena in Spanish 2300 GMT 13 Aug 86

[Text] The Government Social Communications Agency [Dinacos] has just reported that six of the people who had been arrested in Santiago in connection with the arms cache found in the Carrizal Bajo area in the 3d Region were released today at noon. Their names are Dr Patricia Estange Espinola, Enrique Ayala Alvarez, Carolina Diaz Jansen, Malva Medina Hernandez, Victor Miranda Cuevas, and Mabel Roberts Riveras. They had all been arrested by CNI agents between the night of 11 August and the morning of 12 August and remained under arrest in the CNI headquarters on (Gorgogno) Street.

Cuadra Comments on Cache

PY140223 Santiago Domestic Service in Spanish 2300 GMT 13 Aug 86

[Excerpts] The government will denounce in international forums the action of Soviet imperialism in our country. This action was discovered when a subversive arms cache was found in the 3d Region. The government has likewise adopted several confidential, preventive measures to preserve the safety of institutional order, citizens, and private property in view of this terrorist threat. This information was provided by Minister Secretary General of Government Francisco Cuadra, who held a press conference after the cabinet change today. He spoke to reporters about the cabinet meeting the president had held in La Moneda Palace. [passage omitted]

Minister Cuadra said that the main subject discussed at the meeting was the characteristics and consequences of the arms cache found by CNI in the 3d Region.

[Begin recording] From the political point of view, it is important to note the amount, quality, and the technological state of the seized arms and communications equipment. This proves what has been said repeatedly by the government, that terrorist groups acting in the country receive financial and administrative support, as well as military training, from other groups operating abroad. These groups have their instruction centers in the Soviet Union and in the socialist orbit countries which have defended terrorist actions in the West as a form of political expression.

Regarding this case, it is important to understand that there is enough evidence to prove that there is a connection between this highly [word indistinct] arms cache and the operations undertaken by Soviet agents and by agents trained in Cuba and Nicaragua.

In fact, some of the arrested individuals have received training in Cuba. [end recording] [passage omitted]

Generals React to Find

PY130302 [Editorial Report] Santiago Domestic Service in Spanish during its 2300 GMT newscast on 12 August carries reactions of some generals on the arms cache discovered near Carrizal Bajo in the 3d Region, in northern Chile.

Chilean Investigations Police Chief General Fernando Paredes has said that the arms cache found in the 3d Region is similar to the one found in La Larada beach, in southern Peru near the border with Chile. That cache was meant for the Shining Path terrorist group, he said.

He added that this demonstrates that the Soviets are trying to infiltrate our government and that of other countries because that is their doctrine, regardless of whether people are harmed as long as Marxism is introduced. The Soviets help Peruvian terrorist groups like the Tupac Amaru and the Shining Path, and Chilean groups like the MIR [Movement of the Revolutionary Left] and its armed branch, the FPMR.

In the same newscast, it is reported that Lieutenant General Julio Canessa was briefly interviewed after participating in a government junta meeting in the Diego Portales building. He said that the cache found in the Ballenar area is evidence of foreign intervention in Chilean domestic matters, in this case the intervention was in support of terrorism, threatening innocent Chilean people's human rights, and our progress toward full democracy according to the 1980 Constitution. Asked if the terrorists would be able to exercise their human rights, he replied that Chile is a country that respects the law. Despite that, terrorists are granted too much protection, justice must be done, which is a healthy thing.

Meanwhile, Santiago Radio Chilena in Spanish in its 2300 GMT newscast on 23 August carries a recording of Admiral Jose Toribio Merino, who was interviewed after presiding over a Government Junta meeting in the Diego Portales Building.

Merino said: Chile has 10,000 km of coastline and no more than 10 ships to patrol it. It is therefore impossible to know where to find someone. He added, "It is impossible to know where a small ship may have come ashore because of the entire coast cannot be guarded." Merino acknowledged the possibility that such a landing might occur again. Questioned about the Chilean people's doubts about the arms cache find he answered: How can the public not believe it if it is a reality, a fact? The things happened as we reported. A ship arrived from Cuba, passing through Panama, heading toward Coquimbo, but before arriving it stopped on the high seas near Chanaral or Huasco, somewhere around there, and a fishing ship approached it to transfer its cargo because the sea is calm there, and then it headed toward shore to unload the weapons. He added: The people must inform the authorities or Carabineros any time they know of something or see something unusual so that the appropriate measures can be taken. We must all remain alert, because we are at war, as we were in the times of the Huscar [Peruvian gunboat that raided the Chilean coast] during the Pacific War, when enemy ships approached the Chilean coast wherever they wanted to bombard us. When asked if we are at war he replied: We are at war against the Soviets.

Lima Embassy Accusations

PY132035 Paris AFP in Spanish 0451 GMT 13 Aug 86

[Text] Lima, 12 Aug (AFP) -- The Chilean Embassy in Peru tonight accused the Soviet fishing fleet that has been operating in Peruvian waters of giving logistical support and of being the link for the delivery of arms to the Chilean opposition with the aim of subverting order in Chile.

A 6-minute Chilean television documentary carried by Peruvian stations throughout the country shows pictures and film clips of Soviet fishing trawlers, which are regarded as part of an alleged Soviet military strategy against Chile.

The documentary states that the Soviet fleet consists of 58 ships that are fitted for electronic war and are prepared to provide the support required by Chilean subversives. The narrator of the documentary charges that most of these Soviet ships operate in Peruvian waters and are the backbone of both Soviet naval power and expansioninst ambitions in the region. He also charges that the heavy traffic of the Soviet airline Aeroflot through Jorge Chavez Airport has kept the Soviet military experts quite busy.

The documentary charges that the smuggled arms discovered recently in Chile are connected to the activities of the Soviet fishing fleet but did not expand on the connection.

The Soviet fishing fleet and Aeroflot are operating in Peru through agreements signed by the Peruvian Government and the USSR. The Peruvian Government has not yet commented on this charge by the Chilean Embassy.

After sailing for a certain period in Peruvian waters, Soviet seamen usually return home via Aeroflot.. Until now, the Peruvian authorities have not confirmed the alleged entry into the country of senior Soviet officers disguised as fishermen.

Since the resumption of diplomatic relations with the USSR in 1970, right-wing Peruvian sectors have contended that the various agreements signed with the USSR are not in the best interests of the country and that they could generate espionage activities.

Yet the governments of Juan Velasco, Francisco Morales Bermudez, Fernando Belaunde, and incumbent President Alan Garcia -- under which commercial agreements with the USSR have been in force -- have never commented on these activities.

Cuban, Libyan Training Charged

PY131448 Santiago Domestic Service in Spanish 1030 GMT 13 Aug 86

[Excerpts] The extreme leftist organization members arrested in the past few days following the discovery in the third Region of one of the largest arsenals found in our country since 1973 were planning large-scale subversive actions.

The magnitude of the terrorist plan is not yet known. The investigation being conducted by security personnel a few hours ago led to the seizure of the fishing ship Astrid-Sue, which was anchored at the Coquimbo Port. Aboard the ship the security agents found evidence that the Astrid-Sue served as a link between the Soviet ships that brought weapons and explosives to Chilean waters and the three landing craft the terrorists had in Caleta Corrales. After the discovery of the terrorist beachhead, it was learned that the arsenal was to be taken to the central and southern regions of our country over the next weekend.

A CNI report released a few hours ago gave some details of the terrorist plan. The report states: Between February and March 1986, [Secretary General of the MIR] Andres Pascal Allende visited Nicaragua, where, among other things, he asked for guerilla training for 250 men in the Chinandega area under Cuban and Libyan military advisers. These extremists traveled to Panama and then sneaked into Chile. It is believed that at least 15 of them -- all of them military advisers -- went to the Carrizal Bajo area following a comprehensive plan.

The final destination of the arsenal was Santiago, Concepcion, and Temuco. Weapons may have already been sent to these cities before the discovery of the arms cache. The seized arsenal was scheduled to have been transferred starting on the afternoon of 14 August, over the long weekend.

The CNI report states that MIR spokesmen abroad have been raising funds to provide arms and equipment to Marxist groups like the Manuel Rodriguez Patriotic Front.

Early on 12 August, the fishing ship Astrid-Sue, which was anchored in Coquimbo port, was raided because of information that the ship might have been used to transport arms and explosives to Carrizal Bajo. Crew members are being thoroughly interrogated to learn more details of the vast terrorist plan. [passage omitted]

DINACOS: HELMS NEVERPASSED CLASSIFIED INFORMATION

PY131636 Santiago Radio Chilena in Spanish 2300 GMT 12 Aug 86

[Text] Here is another report on the recent events connected with the government. A report datelined today in Santiago says that, responding to journalists' requests and reiterating the declaration of the government authorities, the Government Social Communications Agency [Dinacos] officially confirmed this afternoon that neither Senator Jesse Helms nor any of his advisers have ever passed classified information to any Chilean Government official. This is the news as confirmed by a Dinacos communique.

SANTIAGO BLACKOUT CAUSED BY TECHNICAL FAILURE

PY131616 Paris AFP in Spanish 1443 GMT 13 Aug 86

[Text] Santiago, 13 Aug (AFP) -- The 1-hour electric power outage today that upset the supply in five northern, central, and southern regions of Chile on the 1,000-km-long power line was caused by a technical failure. The power outage started at 0832 and affected the area from Chanaral to San Fernando, an area in which half of Chile's 12 million inhabitants live.

In Santiago the outage paralyzed the metropolitan railway and the traffic light system during the rush hour when most children are heading for school and employees for their jobs. The police have reported that there were no serious problems in hospitals or with other essential services.

The cut in electricity affected the cities of Valparaiso, Vina del Mar, Rancagua, Los Andes, La Serena, and Copiapo, among other important cities. The National Electricity Enterprise has reported that the failure that caused the blackout occurred in a distributing station located close to San Fernando, south of Santiago.

Many of the previous blackouts in Santiago and Chile's largest cities have been caused by acts of sabotage, with the Manuel Rodriguez Patriotic Front claiming responsibility for them. This group promotes armed struggle against President Augusto Pinochet's military regime.

ARSONOUS ATTACKS REPORTED IN SANTIAGO, VALPARAISO

PY140358 Paris AFP in Spanish 0346 GMT 14 Aug 86

[Text] Santiago, 13 Aug (AFP) -- Carabineros reported today that several arsonous attacks on a large commercial facility and two buses took place tonight in Santiago and Valparaiso without causing any casualties.

The sources reported that unknown persons set up several bombs inside various shops of the post Parqua Arauco shopping mall and then detonated these bombs by remote control when the shopping mall closed down.

Several squads of firemen worked until midnight to put out the fire that caused alarm among the residents of the wealthy Las Condes suburb in eastern Santiago. Almost simultaneously, a bus was set afire in the Maipu district by several persons who then escaped.

Police sources have stated that another bus was destroyed by a Molotov cocktail thrown by unidentified individuals. No organization claimed responsiblity for the attacks, although similar attacks were recently attributed to the clandestine Manuel Rodriguez Patriotic Front (FPMR).

Cable reports datelined Buenos Aires have stated that on 15 August the Movement of the Revolutionary Left (MIR) will launch a political-military offensive against the government of General Augusto Pinochet, who on 13 September will celebrate 13 years in power. On 13 September, the MIR will celebrate its 21st anniversary. The MIR was founded at the University of Concepcion, 520 km south of Santiago.

STUDENTS PLAN SERIES OF DEMONSTRATIONS

PY120100 Santiago Radio Chilena in Spanish 1700 GMT 11 Aug 86

[Excerpts] The Chilean Students Confederation [Confech] announced in a press conference that it has scheduled a series of mobilizations beginning on 12 August with a national student vigil to promote life and justice in the Catholic University. Confech leaders Jaime Andrade, Rodrigo Paz, and Jose (Parragues) expressed their deep discontent with the attitude of Chilean justice. They likewise repudiated the strange circumstances surrounding the death of Mario Martinez.

The Confech requested the resignation of Judge Alberto Echavarria and the reorganization of the judicial branch. [passage omitted]

The student leaders also blamed the current military regime for the atmosphere of uncertainty and threats felt by the student leaders and the university community. They said that the Santiago University rector should adopt some position regarding the deaths of student Oscar Feuntes, Julio Santibanez, and Mario Martinez.

Confech leader Rodrigo Paz explained the timetable of mobilizations to start at 1200 on 12 August in Santiago and other cities.

[Begin Paz recording] We call on all students to hold a national student vigil on 12 August. We particularly request teachers and university workers to join in our vigil which will take place in main building of the Catholic University, where we expect to see the whole student movement. Our great vigil will also be held in each province and will be organized by each regional federation.

On 13 August, we call on the students to join in our great national demonstration in defense of the youth. We call on all the Santiago population to fly the flag at half mast with a black ribbon. [end recording]

A minute of silence is scheduled for 1200 and a march to the various courts of justice in the whole country at 1200.

On 14 and 20 August, we have planned a national student demonstration in favor of national unity, and a single political proposal, as well as a demonstration for justice, organized by the National Civic Assembly.

Finally, the Confech leaders said that on 27 August a mass will be celebrated in front of the Hospital del Trabajador to express solidarity with student Carmen Gloria Quintana. [passage omitted]

POLICE UNIT WATCHES CONFECH LEADER'S FUNERAL

PY111702 Paris AFP in Spanish 2316 GMT 9 Aug 86

[Excerpt] Santiago, 9 Aug (AFP) -- About 2,000 people today participated in the funeral of opposition student leader Mario Martinez Rodriguez, who was found dead under strange circumstances on a beach in the central region after he disappeared on 2 August.

The people were carrying placards of the Christian Democratic Party (PDC) which bore slogans demanding justice. They marched toward the general cemetery after attending a religious service that was celebrated by several priests at the church of the Dominican Convent.

Those attending the funeral followed the mass with deep sorrow and in silence while dozens of flower wreaths covered the coffin of the Santiago University student federation leader and Confech [Chilean Student Confederation] finance secretary.

A vicar of the university pastoral group requested that the mass be a song to life. He said it is not atime of anger.

A strong police contingent observed the mourners from a distance when they marched toward the cemetery carrying a placard that read: Comrade Mario Martinez, the seed of freedom, your death, shall be the last one.

Once at the cemetery, PDC President Gabriel Valdes praised the successful union work of the late youth and noted that we have the moral right to believe that he is a new victim of the struggle to restore democracy, freedom, and peace in Chile. [passage omitted]

JUDGE ORDERS STUDENT LEADER'S RELEASE ON BAIL

PY121414 Madrid EFE in Spanish 0206 GMT 12 Aug 86

[Text] Santiago, 11 Aug (EFE) -- Special Judge Alberto Novoa today granted student leader Gonzalo Rovira freedom on bail, subject to confirmation by the Chilean Appellate Court. Rovira, a communist and vice president of the Student Federation of Chile [FECh], has been under arrest since 30 June 1986, when the Carabineros (the Chilean militarized police) evicted students who were occupying the central building of the University of Chile. Later, on 19 July, Gonzalo Rovira was put on trial by request of the Interior Ministry, which had accused him of violating the State Security Law, charging him with promoting the disruption of public order and the overthrow of the government, in addition to provoking disorder and disrupting public tranquility.

Gonzalo Rovira, who will have to pay a bail of 10,000 pesos ($50) will be set free if the Apellate Court confirms the special judge's ruling.

FARC COMMANDER ON TALKS WITH BARCO'S GOVERNMENT

PA132054 Bogota Television Service in Spanish 1730 GMT 12 Aug 86

[Report by Ricardo Canon]

[Excerpts] We are standing beside a coca plant grown in the Caguan area in Caqueta Department. However, as part of the government's rehabilitation and pacification plans with the population in this province, the coca plants are being substituted by rubber, corn, rice, and sugarcane crops. Within the same pacification process, the community is now demanding more effective help to substitute coca with other products that may not be as profitable to improve their economic situation due to the land's low productivity, but which could help them improve their living conditions. [passage omitted]

However, technical assistance is not enough to improve the conditions of the communities in this area. They require more government attention through credits, roads, health programs, and the continuation of the peace process, as Commander Jorge of the FARC's 14th Front has stated.

[Begin recording] [Jorge] We are willing to extend the truce, and we have already made a proposal to the government in that regard.

[Canon] Would you be willing to hold direct talks with President Virgilio Barco through the secretary general?

[Jorge] Of course we would. Nevertheless, more important would be the creation of a peace commission, a broad commission capable of demanding compliance with the agreements reached with [former President] Belisario Betancur. [end recording]

However, while President Virgilio Barco Vargas has said as agrarian reform is inevitable, he also said that for the rebels to reincorporate into the country's institutional life, consolidate what has been accomplished, and advance, an institution will be created which will be directly under the president of the Republic.

14 KILLED IN M-19 CLASHES IN BELALCAZAR

PA122313 Bogota EL TIEMPO in Spanish 9 Aug 86 p 1-A, 3-A

[By James Arias and Carlos Campo]

[Excerpts] Belalcazar, Cauca, 8 Aug -- As the result of an attack and other actions staged by 300 heavily armed rebels against Belalcazar yesterday and today, seven military men and seven rebels were killed. The rebels were led by Carlos Pizarro Leongomez and Marcos A. Chalitas, both of the M-19.

The victims include Army Captain Oscar Barragan Cuevara, commander of a partol ambushed on the highway between Inza and Belalcazar. Seven soldiers were seriously wounded and another has been reported missing.

The count of the dead was confirmed by Edmundo Rivas, acting Belalcazar Mayor, to EL TIEMPO.

Belalcazar, the site of the Paez municipal goverment, is located 130 km east of Popayan on the highway to Huila.

The mayor's report was the first that the Popayan authorities received concerning the attack by the National Guerrilla Coordinating Board, which is composed of several rebel organizations.

Rivas said the guerrillas' attack began at 0430 on Thursday, when a guerrilla command attacked the police garrison. The ensuing clash between guerrillas and policemen lasted until 2100.

The police quarters and the office of the Agrarian Credit Fund [Caja de Credito Agrario] were destroyed. [passage omitted]

Cauca Governor Colonel Victor Gomez Gomez, retired, reported in Popayan that a reinforced patrol of the Jose Hilario Lopez Battalion from this city, which tried to help the Belalcazar policemen, was ambushed at Alto La Cruz, near Belalcazar.

Killed during the ambush were Capt Barragan Guevara, 35, Sergeant Luis Arredondo Becerra, and Privates Jose Ferney Rubiano Vivas, Fernando Guevara, Diego Lenis Salgado, Diego Burgos Certuche, and Alberto Jesus Quintero Palacios.

The seven seriously wounded soldiers are Ramon Puerta Aguirre, Jose Albeiro Brand Yusti, Jaime Osorio Pino, Manuel Popo Murillo, Eduardo Enrique Solis Guevara, Orlando Gomez Correa, and Nelson Orozco Buitrago. According to last minute reports, private Luis Quintero Grisales has been reported missing in action.

The guerrillas attacked the patrol with several .50 cal machine guns.

The governor also confirmed that seven rebels were killed during the taking of Belalcazar and later clashes. Two unidentified guerrillas were shot and killed in the town's square by the police. The two were buried in a common grave at the local graveyard. The burial was observed by the guerrillas said he was a Peruvian lawyer whom they did not identify. [passage omitted]

The attackers wore armbands of the M-19, the Quintin Lame Command, the Army of National Liberation, ELN, and the Popular Liberation Army, EPL. According to some witnesses, the attackers cheered the movements "Alfaro Lives" and "Shining Path" of Ecuador and Peru, respectively. [passage omitted]

BRIEFS

CHILEAN ENVOY PRESENTS CREDENTIALS -- New Chilean Ambassador Alvaro Salavadores has presented his credentials to President Belisario Betancur at the Narino Palace's Yellow room. [Summary] [Bogota EL TIEMPO in Spanish 7 Aug 86 p 6 PA]

ECONOMY MINISTER REPORTS ON DEFICIT, TAXES

PY131726 Paris AFP in Spanish 0216 GMT 13 Aug 86

[Text] Lima, 12 Aug (AFP) -- Luis Alva Castro, prime minister and economy minister, today affirmed that the state's financial administration is the best since 1981 and that the fiscal deficit for the first half of this year has been reduced to 0.5 percent of the GDP.

He recalled that under the previous administration of President Fernando Belaunde, the fiscal deficit was 2.9 percent of the GDP. He said that the fiscal deficit during the first half of this year totaled $32.3 million.

In a report to Congress on the implementation of the fiscal budget, Alva Castro said that the taxation system has changed by decreasing indirect taxes, increasing direct taxes, and lowering taxes on fuels.

The minister reported that the state's revenues during the first half of 1986 totaled $1.308 billion, which represents 21 percent more than expected. He explained that this increase resulted from the better collection of corporate taxes. One of the main taxpayers was the U.S. Occidental Oil Company, which paid $36.5 million in taxes.

Alva Castro said that the level of government expenditures surpassed the budget amount by 17.5 percent, mainly because of salary increases for civil servants, who were granted a 28.8-percent cumulative raise over a 1-year period.

POLICE DESTROY 2 AIRFIELDS, 1 COCAINE LABORATORY

PY131702 Lima Television Peruana in Spanish 0100 GMT 13 Aug 86

[Relay from Loreto]

[Text] A police patrol participating in the "Condor IV" operation yesterday destroyed two airfields and a clandestine cocaine laboratory. The report indicates that the patrol found an abandoned and dismantled clandestine laboratory in San Pedro, 300 meters from Yuracmayo Lake in Loreto. The patrol also found a clandestine airfield 2 km west of Tierra Amarilla. The airfield is 1,500 meters long and 20 meters wide, with drainage ditches on both sides and a 30-meter bridge at the top of the airfield.

The police patrol entered Tierra Amarilla to inspect the town and check the houses, but they did not find anything connected with drug trafficking. The patrol found another clandestine airfield 3 km west of San Jose de Loreto. The airstrip is 1,200 meters long and 20 meters wide with drainage ditches on both side.

The deputy interior minister, police officals, the provincial prosecutor, and reporters also visited clandestine airfields, laboratories, and installations in (Nuevo Jerusalen) and (San Jose de Yanaya). After the inspection, the provincial prosecutor wrote details of the inspection in the public record and ordered the destruction of the laboratory and installations.

INDIANS MOVE COCAINE FACTORY TO COLOMBIA

PY121618 Paris AFP in Spanish 1135 GMT 12 Aug 86

[By Hugo Levano]

[Excerpts] Lima, 12 Aug (AFP) -- About 300 Ticuna Indians have moved a modern clandestine cocaine laboratory through the Amazon Jungle from Irene, Peru, to La Concha, Colombia, to prevent its destruction. This was reported today by some of the Indians who participated in the operation.

The trip was made through the jungle's humid and suffocating heat, sometimes in boats and canoes. But the cargo was mostly carried by the natives on their shoulders through the jungle. They opened their path with machetes and crossed the many Amazon rivers and streams.

It took 4 days to move the cocaine laboratory, which had been installed by the drug traffickers in Irene, and the operation ended 48 hours before the Peruvian antidrug police squad arrived at the site on 10 August.

The Indians received $90 a day for their work. [passage omitted]

It is still not known if the drug traffickers were tipped off or if they moved as a precautionary measure. The fact is that 300 Ticuna Indians were hired to do the job. [passage omitted]

Traces indicated that a large cocaine-processing plant with its own power and air-conditioning equipment had been operating there. It was without any doubt the most important and modern plant in the area.

About 150 armed mercenaries were guarding the area, and when they escaped they raised a white flag on a 7-meter pole.

The Indians carried everything, including the cocaine base that the laboratory chemists had received from such distant places as Uchiza, Pucallpa, and Apurimac in the center and southeast of Peru, about 1,000 and 1,500 km south of Irene, respectively.

According to some of the 80 people arrested at the site, most of whom were Indians, the laboratory in Irene operated under the command of Colombian Homero Bugablia, alias La Bala, who is the deputy of the powerful Colombian drug trafficker Evaristo Porras, alias Papa Doc.

None of the important drug traffickers was arrested by the police. [passage omitted]

APRA, PAN CANDIDATES REGISTER FOR LIMA MAYORALTY

PY121923 Lima America Television in Spanish 0400 GMT 10 Aug 86

[Excerpts] APRA [American Popular Revolutionary Alliance] member Jorge del Castillo and National Vanguard [Partido de Avanzada Nacional -- PAN] member Miguel Campos Arredondo were the first candidates to register today for the upcoming Lima mayoralty office elections.

The registration took place at the Lima Provincial Electoral Court headed by Auria Saenz. [passage omitted]

The Popular Christian Party [PPC] has officially announced that Luis Bedoya Reyes will be the PPC candidate for the Lima mayor's office. Bedoya will register at the electoral court next Monday, according to Ricardo Amiel [Meza], PPC national organization secretary, at a press conference held today. [passage omitted]

Other Candidates Register

PY131728 Madrid EFE in Spanish 0248 GMT 13 Aug 86

[Excerpt] Lima, 12 Aug (EFE) -- Three candidates representing different ideological sectors will be the leading contenders for the Lima mayoralty, which is regarded as the second most important political post in the country, in the municipal election slated for 9 November. Although nine candidates registered before the 12 August deadline, the following three candidates are the leading contenders: Luis Bedoya Reyes of the conservative PPC, Christian Party; Jorge del Castillo of the ruling APRA, and Alfonso Barrantes of the United Left coalition. [passage omitted]

VAN BOMB EXPLODES; MRTA CLAIMS OTHER ATTACK

PY121451 Paris AFP in Spanish 1732 GMT 11 Aug 86

[Text] Lima, 11 Aug (AFP) -- The police today reported in Lima that a Peruvian Air Force van that was used as a car bomb exploded yesterday one block from the cathedral in Arequipa, 1,000 km south of Lima. The explosion destroyed the vehicle and damaged some neighboring houses, but caused no injuries.

The shock waves, which disturbed an otherwise peaceful Sunday in the second largest city of Peru, damaged doors and windows of houses adjoining a parking lot where the van was blown up, the source said. Security forces are pursuing a presumed Shining Path commando group that left 10 kg of dynamite in the van.

The attack, the third of this type perpetrated in Arequipa in recent months, has provoked concern among the local authorities, who fear that similar attacks might occur before 15 August, when President Alan Garcia is due to attend the Arequipa anniversary celebrations.

Meanwhile, 11 people, including a woman, were brought yesterday from Cerro de Pasco, 310 km southeast of Lima, on charges of having murdered government officials and perpetrated attacks.

The Tupac Amaru Revolutionary Movement (MRTA) last night claimed responsibility for an attack on the Government Palace on the night of 8 August. The MRTA communique says that the attack was launched after bypassing the security system of the American Popular Revolutionary Alliance (APRA) government around the Plaza de Armas. The rocket-type grenade fired against Government House did not explode.

TERRORISTS ATTACK STATE INSTALLATIONS IN LIMA

PA140438 Paris AFP in Spanish 0419 GMT 14 Aug 86

[Text] Lima, 13 Aug (AFP) -- A series of terrorist attacks against the installations of several state institutions took place tonight in Lima. The police reported that there have been no victims. The terrorists, who escaped, threw dynamite inside the National Bank, the Peruvian Telephone Company, and the Lima Potable Water Company [Servicio de Agua Potable de Lima] (Sedapal), causing considerable damage.

COURTS ACQUIT ABIMAEL GUZMAN IN ABSENTIA

PY130222 Paris AFP in Spanish 1910 GMT 12 Aug 86

[Text] Lima, 12 Aug (AFP) -- Court sources today stated that Abimael Guzman, the elusive leader of the Maoist Shining Path guerrillas, has been acquitted of the crimes of terrorism by a Lima court that also tried five alleged subversives for more than 100 attacks against public and private buildings. Judges of the 12th court section of the Supreme Court of Justice decided that Guzman, the man most-wanted by Peruvian authorities, could not be sentenced in this trial as long as he is not arrested.

A judge explained that for the time being, Guzman has been acquitted of the crimes of terrorism, but the courts will retain the indictments until he is arrested. Among the five people being tried for terrorism, the court handed down 4- to 6-year sentences for Manuel Guispirroca, Carlos Cerron, and Francisco Cayo, who shouted slogans for the armed struggle as the sentence was passed. Rosa Quintana and Delia Limaco, two young girls whom the police accused of being accomplices of the terrorists involved in the trials, were acquitted for lack of evidence.

Meanwhile, the police today at noon confirmed that commandos of the Shining Path guerrilla annihilation squad yesterday killed Republican Guard Corporal Aurelio Da Cruz del Aquila. This was reported by some suspects who were arrested after the attack perpetrated yesterday in the suburban district of Chaclacayo, 24 km east of Lima.

NATIONAL UNION PARTY LEADER GRANTS INTERVIEW

PY121753 Lima Panamericana Television Network in Spanish 0200 GMT 11 Aug 86

[Interview with National Union Party, PUN, leader Carlos Malpica (member of United Left, IU, coalition) By Fernando Vazquez broadcast on the weekly program "Panorama" conducted by Rossana Canedo; no date or place given -- recorded]

[Excerpts] [Canedo] A lot has been said about the current split within the IU, just before the holding of municipal elections. Senator Carlos Malpica expresses his views on this:

[Fernando Vazquez] Good evening Senator Malpica.

[Malpica] Good Evening.

[Vazquez] When did the IU cease to be united?

[Malpica] The IU has always been united. The problem is that this is a coalition of parties that differ on certain issues...

[Vazquez, interrupting] Are these differences important?

[Malpica] There are important disagreements on some issues, but what unites a coalition is a common platform.

[Vazquez] Does the IU have an established platform?

[Malpica] Yes it has a platform that was approved last year before the holding of general elections.

[Vazquez] On what issues are there disagreements then?

[Malpica] There are some disagreements because some people have either not read the platform or have misinterpreted it.

[Vazquez] Who for example?

[Malpica] Like [Lima Mayor] Alfonso Barrantes.

[Vazquez] But Alfonso Barrantes is the IU president.

[Malpica] Yes, he is, but I believe that he has either not read the platform or that he is distorting it.

[Vazquez] Is this why the PUN, your party, does not support Barrantes' reelection campaign?

[Malpica] Yes, this is one of the reasons why the PUN is not enthusiastic about Barrantes' candidacy and why it prefers (?Henry Price), who has a more unitarian attitude. I believe that we disagree not only about the interpretation of IU's platform, but that we also disagree with Barrantes' political behavior. [passage omitted]

[Malpica] Barrantes has also supported the government's erroneous decision to order the Armed Forces to intervene in the penal institutions.

[Vazquez] But did he indeed support the government in this?

[Malpica] Yes, he did. On 18 July he expressed support for the government's decision.

[Vazquez] But during a televised speech broadcast on 26 July, Barrantes precisely expressed the points over which the IU disagrees with the government.

[Malpica] That is true, but on 19 July [as heard] Barrantes categorically supported Alan Garcia's decision.

[Vazquez] Senator Malpica, in what aspects has Barrantes not fulfilled the IU platform?

[Malpica] In many ways, and it would be very difficult to list them all. I believe he has campaigned in favor of the APRA [American Popular Revolutionary Alliance] and I believe that his attitude in the past year has been wrong.

[Vazquez] Do you agree with those who say that Barrantes does not have majority support within IU? That he has not been a true spokesman of the opposition?

[Malpica] I would say Barrantes exercises (?questionable) leadership within the IU...

[Vazquez, interrupting] Questioned basically by you?

[Malpica] Not only by me, but by also very important IU factions. [passage omitted]

[Vazquez] What did you expect from Alfonso Barrantes? Did you expect him to be a tough opponent of the government?

[Malpica] Not necessarily a tough opponent, just an opponent. The head of the group that opposes the APRA government. But this has not been the case to my knowledge.

The role of the IU in Peru is to be the opposition. In Peru it is bad policy for opposition parties to cooperate with the government because these parties have never succeeded in subsequent elections. [passage omitted]

[Vazquez] Do you believe Barrantes will be the IU candidate in the municipal elections?

[Malpica] It looks that way.

[Vazquez] What will be your position in this regard?

[Malpica] None at all, because I do not vote in Lima, I vote in Cajamarca.

[Vazquez] Yes, but you are an IU member and you should support this candidacy in a disciplined manner.

[Malpica] But I will carry out the election campaign in Cajamarca.

[Vazquez] If Barrantes is the IU candidate for the Lima mayor's office, what will be your position in this regard?

[Malpica] As I said before, I do not vote in Lima, I vote in Cajamarca.

[Vazquez] To be more specific, are you going to campaign against Barrantes?

[Malpica] No, I have not campaigned against him and no one has said that we will campaign against him. But since there is discontent among the masses, there is a danger of a spontaneous reaction, and a refusal to campaign and vote for Barrantes. This may happen.

[Vazquez] According to Senator Enrique Bernales, some IU parties do not want to support Barrantes, but they want him to be the candidate so that he will lose the campaign. Once he loses the campaign, Barrantes will also lose the IU leadership. Do you head this position? [30-minute break in video transmission; 1-minute break in audio transmission]

[Vazquez] Do you believe that (Henry Price) is a good alternative to Barrantes?

[Malpica] Yes, I would say that he would be a better candidate than Barrantes because (Price) is not the same type of opposition leader as Barrantes. [passage omitted]

[Vazquez] If Barrantes is the IU candidate in the November municipal elections, will the IU win the elections?

[Malpica] Probably, I believe that the fight will be with the Popular Christian Party [PPC] candidate, Bedoya Reyes. I think that the APRA candidate has no chance of winning these elections.

[Vazquez] Senator Malpica thank you very much for your presence in Panorama.

[Malpica] Thank you very much and good evening.

PROTEST STAGED AGAINST AMNESTY FOR OFFICERS

PY121707 Madrid EFE in Spanish 1025 GMT 12 Aug 86

[By Alberto Pepe Leira]

[Text] Montevideo, 12 Aug (EFE) -- The first popular reaction in support of democracy and against the people who are "nostalgic for military power" was a noisy protest that included the banging of pans on the night of 11 August. A petition was submitted requesting "truth and justice" in the cases of human rights violation committed during the "de facto" regime (1973-1985) and rejecting amnesty for the military men involved in the repression. The banging on kitchen utensils and other instruments was heard in poor districts as well as downtown. Protest demonstrations were also organized in front of union headquarters and political organizations, but especially in the rank-and-file committees of the leftist Broad Front coalition.

The protest coincided with a "high-level" meeting Army Chief Lieutenant General Hugo Medina held with four former commanders during the military regime and two retired generals, who are considered "hardliners." During the private meeting held in the Army Headquarters, Gen Medina tried to have a "meeting in defense of the Armed Forces' honor" called off. The meeting was proposed by the Military Club, which is made up of active-duty and retired Armed Forces officers, who have become the sector which has criticized the administration of the 17 months of democratic government in Uruguay. The "high-level" meeting was attended by former Commanders Luis Queirolo, Boscan Hontou, Jose Luis Vadora, and Pedro Arando and the last two presidents of the Military Club, General Esteban Cristi, who was chief of the 1st Army Division during the 27 June 1973 military coup, and General Ivan Pualos, retired, the former chief of intelligence.

EFE has been able to learn from reliable sources that Medina, one of the most important men in the Uruguayan democratization process, and the former commanders discussed the problem of an eventual review of the "de facto" government period and the possible trial of those who violated human rights. They also discussed the arrest of retired Colonels Domingo Pugliese and Agustin Andres ordered by Medina when they were collecting signatures to call for the meeting in defense of the Armed Forces' honor.

The Military Club has opposed any kind of review and has conveyed its "concern" over the failure of the government's efforts to gen an amnesty so as "not to irritate the Armed Forces." The position of the Military Club is different from that of General Medina, who after reaching an agreement for democratization with the political leaders in 1984 stated the Armed Forces will not permit "revenge" but that justice be done. When Medina promised to respect the election results and the elected democratic government, he said that trials against those who acted inhonestly during the military regime will be accepted. Gen Medina has clearly defined the role of active-duty officers in the face of a review which has created concern among the commanders under the military regime.

The governing Colorado Party did not support last night's protest against those who are "nostalgic for military power," and Interior Minister Antonio Marchesano himself said before leaving for Brazil to join Uruguayan President Julio Maria Sanguinetti that the "banging on pans" is "out of place."

However, this does not mean that the government is not concerned about the actions of the Military Club and its current leaders, headed by Paulo. Defense Minister Juan Vicente Chiarino himself has criticized the offiical publications of the Military Club, describing them as "deplorable."

The officers who were thrown out by the 1973 military coup are also accusing the members of the Military Club of committing "sedition." Captain Oscar Lebel, who was arrested in 1973 for opposing the military coup, has said the officers who make public statements as if they were "a party of the Armed Forces" are "committing sedition." An accusation published in the Christian Democratic weekly AQUI reflects the feelings among the retired officers of the Armed Forces. [sentence as received].

LUSINCHI FIRES OFFICIAL FOR NONCOMPLIANCE

PA120350 Caracas Television Service in Spanish 1600 GMT 11 Aug 86

[Text] President Jaime Lusinchi has ordered the dismissal of Henry Mateus Hugo, president of the National Urban Development Fund, Fondur. The reason for the high-ranking official's dismissal was that he disobeyed austerity measures Lusinchi has established.

The dismissal order issued this morning by President Lusinchi was officially announced at Miraflores Palace. This is the first time such a step has been taken against a senior official. It was also reported that the president is determined to fully enforce the austerity measures that have been enacted in view of the country's economic difficulties.

Urban Development Minister Cesar Quintana Romero has been temporarily placed in charge of Fondur.

JUSTICE ORDERS ARREST OF U.S. REPORTER

PA131806 Paris AFP in Spanish 1640 GMT 13 Aug 86

[Text] Caracas, 13 Aug (AFP) -- A judge today ordered the arrest of John Sweeney, a U.S. journalist who is director of Caracas' monthly magazine VEN-ECONOMIA and correspondent for NEWSWEEK. He has been charged with having defamed the directors of an insurance company and of Caracas' subway.

The 33-year-old journalist has been living in Venezuela for the past 10 years. He works with VEN-ECONOMIA magazine, whose editor is Joseph Mann, a correspondent for THE NEW YORK TIMES. He is also a correspondent for six publications, including NEWSWEEK, BUSINESS WEEK, METALSWEEK, and for McGraw-Hill publications.

In VEN-ECONOMIA, Sweeney published reports about the alleged corruption of the president of the firm Latinoamericana de Seguros, Orlando Castro, who according to the reports bribed directors of Caracas' subway to secure advantageous contracts with that suburban state transport enterprise.

Justice Pedro Rendron Oropeza today ordered Sweeney arrested on defamation charges. VEN-ECONOMIA sources have told AFP that Sweeney is currently in the country's interior doing journalistic work. He is the second journalist to be arrested in Venezuela in less than a month for the same reason. The director of DIARIO DE CARACAS, Rodolfo Schmidt, has been in jail for 2 weeks. A former policeman accused him of defamation.

'TEXT OF DECLARATION' OF MEXICO ISSUED 7 AUGUST

PA132052 Mexico City EL NACIONAL in Spanish 8 Aug 86 p 3

["Declaration of Mexico" issued by the Group of Six in Ixtapa, Zihuatenejo, on 7 August]

[Text] We have gathered today to proclaim humanity's right to peace and to reiterate our commitment to protect this right to make the survival of the human race possible.

Exactly 41 years ago, death and horror befell Hiroshima. The most terrible war in history came to an end, and the world's nuclear nightmare started. Since then, we have been living on borrowed time. All that is valuable and beautiful, all that civilization has aspired to and has been able to achieve might be turned into radioactive dust in a very short time.

During 4 decades the states that have nuclear weapons have had the almost exclusive responsibility to put an end to nuclear weapons while the rest of the world has been forced to remain on the sidelines. The nuclear arms race has continued and has increased. In view of the resulting danger of mutual annihilation, the distinction between the powerful and the weak makes ~~no sense.~~ Consequently, we are determined that countries like ours which have no nuclear arsenals will actively participate in all the aspects of disarmament. The protection of this planet concerns all people who live here, we cannot accept that a few countries decide the fate of the entire world.

The tragic accidents that recently occurred at the Chernobyl nuclear-electric plant and the launching of the space shuttle Challenger have shown once more how fragile is a security that is based only on complex technology. When an accident that occurred at a peaceful nuclear plant causes such important international reprecussions we can very clearly see the terrible consequences that may result from the use of even a small part of the nuclear weapons existing in the world. To avoid repeating the Hiroshima incident on a global level, we not only need to have more knowledge of new technology, but more wisdom. We call for an international agreement banning any use of nuclear weapons.

In January 1985, the Group of Six met in New Delhi to discuss the dangerous increase in the nuclear arms race. We then called for an immediate suspension of nuclear tests as a preliminary measure prior to the drafting of a treaty to completely ban such tests and to suspend the production and deployment of all nuclear weapons and their launchers, as well as to ban the testing, production, and deployment of space weapons. In addition we expressed our hope that the United States and the Soviet Union make rapid progress in their bilateral negotiations to abolish all nuclear weapons. Later, we were pleased about the declaration issued by President Reagan and General Secretary Gorbachev in November 1985 stating that "a nuclear war must never be waged." The moment has come to guarantee that such a war will never start. For this reason, we are deeply worried; until now, there has been no evident progress in such negotiations.

We are aware that recently these two powers have taken steps that could help overcome certain obstacles and serve as a new framework to reach agreements. We are convinced that no greater security can be achieved by increasing the destructive capacity through the accumulation of weapons; on the contrary, a true security can only be reached by reducing the weapons. Nuclear disarmament and, as a final request, the complete elimination of nuclear weapons are absolute priorities. However, within this context, we must also give due attention to the problem of a balanced reduction of conventional weapons.

We are convinced that there is nothing more pressing and crucial right now than to put an end to all nuclear tests. The qualitative and quantitative development of nuclear weapons exacerbates the arms race; the total prohibition of these tests would prevent its progress. In addition, it is obvious that the continuous improvement of nuclear weapons hinders the effort to discourage others from obtaining them. We must admit that just as it is impossible to cure a drug addict by injecting him with increasing higher dosages, it is also impossible to save from war a world that has fallen into the habit of weapons by accumulating larger arsenals. The time has come to end this.

In October 1985 and February 1986, and then again in April of this year, we exchanged letters with President Reagan and General Secretary Gorbachev. We urged them to implement a fully verifiable suspension of nuclear tests at least until their next summit meeting. We also proposed that such a suspension would be immediately followed by negotiations to sign a treaty on the complete prohibition of nuclear testing. We offered them our assistance to guarantee a proper verification of this nuclear tests suspension.

We feel encouraged by the consideration they have given our proposals and the international attention the nuclear testing issue has drawn. We reiterate the call so the unilateral moratorium on the part of one of the two nuclear powers will become, at least, a bilateral moratorium.

To arrange for the immediate halt of nuclear testing, we are presenting a separate document that offers specific help to establish the adequate mechanisms of verification. We are willing to cooperate with the United States and the USSR to establish temporary measures. These measures could greatly strengthen the trust in a moratorium of the United States and the USSR and would constitute a very important step in establishing an adequate system of verification for a treaty banning nuclear testings. Such measures might include the establishment of temporary surveillance stations in the existing test areas, arrangements for using the existing stations in the United States and the USSR with the purpose of observing their territories away from the test areas, as well as inspecting large chemical explosions. We are pleased that the United States and the USSR recently began bilateral talks on issues concerning nuclear testing. We have decided to propose to the U.S. and USSR presidents that experts of our six countries meet with Soviet and U.S. experts. The purpose of this would be to explain our proposals in detail, examine the means for putting them into practice, and analyze other feasible means whereby our six countries could arrange for the verification of a nuclear test ban. We will be strengthening our mutual cooperation to check the current tests and report this effect. Our six countries will also consider measures so that the states that have no nuclear weapons will be able to cooperate in the international mechanisms of verification related to future agreements on nuclear disarmament.

We reiterate our demand that an arms race in outer space be prevented. Space belongs to all mankind, and as beneficiaries of that common heritage of all men, we are opposed to the use of outer space for destructive purposes. We urge that there be a halt to improving antisatellite weapons, that might endanger the space activities of many countries for peaceful purposes. Likewise, we urge the U.S. and USSR leaders to agree on ending any new testing of antisatellite weapons to arrange for an international treaty banning these weapons. In New Delhi, we warned that improving antisatellite weapons might endanger a series of agreements limiting armaments and disarmament. We now see that this warning was justified. We emphasize that the existing treaties that safeguard the use of outer space for peaceful purposes, as well as the 1972 treaty limiting the systems of antiballistic projectiles must be fully respected, strengthened, and broadened as necessary, bearing in mind the recent technological advances.

Recently respect for international law has unfortunately reached its lowest level. The rights of the weaker nations are trampled upon, and this is left unpunished. Treaties are violated to suit the countries, particularly the stronger countries. To make progress in the efforts in favor of nuclear disarmament, it is imperative to strengthen the United Nations organization and charter, as well as the treaties pertaining to disarmament, that must be observed in both the letter and spirit.

The limited resources of the world are squandered in sharp contrast to the permanent malnutrition of millions of persons who are constantly threatened and left to a life with poverty and premature death. Poverty and economic despair are also a threat to international peace and security. This threat is worsened in many developing countries where the foreign debt problem reduces even further their capacity to assign insufficient resources to satisfy the urgent and basic needs of their people. Transferring resources from military expenses to economic and social development is, therefore, a basic need of our times.

In our message from Mexico, we urge the U.S. and USSR leaders to continue with and strengthen the dialogue they began last year, and to set a date for meeting again with an attitude of mutual understanding and conciliation to make sure this dialogue will yield practical results in the area of disarmament. Both parties have the capacity to destroy the world several times over. There is no room for thinking that one or the other would be showing weakness if it showed a willingness for conciliation. It is necessary to reactivate and strengthen the spirit of Geneva. We reiterate our determination to contribute to an agreement between the states that have nuclear weapons, and join efforts with them, as well as with the other countries, for the sake of the security of mankind and peace.

Once again we urge the peoples, parliaments, and governments throughout the world to actively support our call. All individuals have a right to peace and are obligated to make efforts to achieve peace. Neither together nor separate can the peoples of the world ever erase the memory of the horror of Hiroshima and Nagasaki; together we can and should erase from our future that horror is threatening us.

[Signed] Raul Alfonsin, president of Argentina; Miguel de la Madrid Hurtado, president of Mexico; Andreas Papandreou, prime minister of Greece; Ingvar Carlsson, prime minister of Sweden; Rajiv Gandhi, prime minister of India; Julius Nyerere, former president of Tanzania.

DE LA MADRID COMMENTS ON MEETING WITH REAGAN

PA132344 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 13 Aug 86

[Excerpt] Today, Mexico City and the United States agreed to make a special effort to improve the atmosphere of the two countries' bilateral relations and to facilitate and broaden bilateral cooperation for the two nations' mutual benefit.

After Mexican President Miguel de la Madrid and U.S. President Ronald Reagan's meeting ended, the presidents noted that relations between Mexico and the United States are based upon respect and mutual cooperation. Here is Humberto Mares Navarro, our special correspondent in Washington, with a report.

[Begin recording] [Mares] At the end of the talks between Presidents Miguel de la Madrid and Ronald Reagan, the presidents described the working visit as fruitful for an understanding between the two nations.

After talking for little over 2 hours, each of the presidents made brief speeches in front of the White House diplomatic door. Among the achievements noted were the lifting of the tuna embargo on Mexico and the governments' plans to make a special effort to improve the atmosphere of relations. President de la Madrid said it was also agreed that instructions would immediately be given to establish talks between government officials to achieve a broadened bilateral trade agreement. The Mexican president said that it is his government's intention to have Mexico achieve sustained and sufficient economic growth, which is essential to the restructuring and modernization of Mexico's economy.

[De la Madrid] In the first place, we discussed in-depth various aspects of our trade and financial relations, and the recent negotiations by the Mexican Government with the international financial organizations, especially the IMF, which have been successful as they have allowed new, realistic, and flexible solutions for the foreign debt problem. I admit that the U.S. Government, in a joint and highly valuable effort, played a constructive role in these negotiations, which Mexico greatly appreciates.

It is my intention to have Mexico achieve sustained and sufficient economic growth, which is essential for the restructuring and modernization of its economy, maintaining the social progress which has been the leading factor in the country's political stability for so many years, and increasing the country's ability to pay its international financial debts.

[Mares] President de la Madrid also said that this fruitful meeting is a demonstration of the firm and cordial friendship that unites the two countries. We can gain a great deal, he said, from a dignified and mutually beneficial friendship. [passage omitted] [end recording]

President Speaks at White House

FL132140 Mexico City NOTIMEX in Spanish 2037 GMT 13 Aug 86

[by Roberto Gonzalez Perez, special correspondent]

[Text] Washington, 13 Aug (NOTIMEX) -- Great progress has been made regarding Mexico-U.S. relations, said President Miguel de la Madrid during a speech delivered at the White House. We have sincerely and thoroughly discussed various topics that will bring positive results, he added.

The Mexican president said that the governments of the two countries will make extra effort to improve the atmosphere of our relations. He also said Mexican Government negotiations with international financial organizations have been successful inasmuch as they allow more reasonable and flexible terms in dealing with the foreign debt problem.

De la Madrid acknowledged that the U.S. Government -- with its valuable efforts -- played a useful role in the negotiations, which we appreciate very much. Referring to trade ties between the two countries, he indicated that they should take place within a framework of equality, taking into consideration the differences between the degrees of development of the two economies as well as total conditions of non-discrimination and absolute non-reciprocity, which should be the foundation of better trade relations.

He also told President Reagan that migratory flows from Mexico to the United States will decrease as the Mexican economy improves.

De la Madrid noted that international cooperation is needed to deal efficiently with the serious drug smuggling problem which needs to be solved.

PAN Protest in Washington

FL132241 Mexico City NOTIMEX in Spanish 2207 GMT 13 Aug 86

[Excerpts] Washington, 13 Aug (NOTIMEX) -- The presidents of Mexico, Miguel de la Madrid, and the United States, Ronald Reagan, today held a 90-minute meeting in the White House Oval Office. The ties uniting the two countries were reaffirmed. [passage omitted.]

Meanwhile, about 30 people -- most of them National Action Party [PAN] members -- gathered in front of the White House to demand democracy in Chihuahua and the annulment of recent elections there.

Some protesters said they will go to every international forum to press for the annulment of the elections which they allege were fraudulent. [passage omitted]

SENATOR ON SUPPORT OF L.A. PARLIAMENT TREATY

FL131648 Mexico City NOTIMEX in Spanish 0321 GMT 13 Aug 86

[Text] Mexico, 12 Aug (NOTIMEX)-- Latin American heads of state, including Mexico's have reiterated their solidarity with the Latin American Parliament and expressed their decision to sign an international treaty designating it a pluralistic and political forum in Latin American.

Senator Patrocinio Gonzalez Blanco, Mexican representative to the Latin American Parliament, said no country can confront a new crisis if it acts autonomously and disregards integration efforts.

The Latin American Parliament has become the principal political forum in the hemisphere and seeks to fill the gap in matters of integration because the organizations created for this purpose have not achieved their goals due to a lack of political vigilance.

Gonzalez Blanco, President of the Political Commission of the Latin American Parliament representing 19 countries and 168 political parties, said the parliament's goal is to encourage area countries to defend democracy.

SEVERAL BANKS OFFER $1.5-BILLION STOP-GAP LOAN

FL131627 Mexico City NOTIMEX in Spanish 0012 GMT 13 Aug 86

[Excerpts] The Finance and Public Credit Secretariat (SHCP) has reported that Mexico has been offered a $1.5-billion stop-gap loan (credito puente) by trade and Central Banks from several countries, including the U.S. federal reserve. The SHCP said the resources would only be used in very extreme and indispensable cases and added that Mexico is trying to assure that the funds will be immediately available when needed. [passage omitted]

The Secretariat said the $1.5 billion offer may be formalized during President Miguel de la Madrid's visit to Washington.

SEPULVEDA ANNOUNCES APPROVAL OF U.S. AMBASSADOR

FL140202 Mexico City NOTIMEX in Spanish 2346 GMT 13 Aug 86

[By Jose Carreno]

[Excerpt] Washington, 13 Aug (NOTIMEX) -- The Mexican Government has expressed satisfaction over the naming of Charles Pilliod as U.S. ambassador to Mexico, Foreign Secretary Bernardo Sepulveda announced here today.

Sepulveda made the announcement during a press conference after noting that the U.S. Government had requested official approval for the appointment. [passage omitted]

DELVALLE DELIVERS SOVEREIGNTY SPEECH AT RALLY

PA121945 Panama City Domestic Service in Spanish 1540 GMT 12 Aug 86

[Speech by President Eric Arturo Delvalle during a rally "to reaffirm national sovereignty" at the Cinco de Mayo Plaza -- live]

[Text] General Manuel Antonio Noriega, Panamanian people:

This huge popular demonstration represents the Panamaian people's strength and determination to defend their homeland, rising above political differences and personal ambitions. We want to show the world that we Panamanians have and always will have a religion that unites us: the defense of the Panama Canal and of our sovereignty. [applause]

This is why we are here, standing and alert, at this great event to show our loyalty for our homeland. We are meeting here today in a great, tight, fraternal embrace to reaffirm our strong determination to achieve the fulfillment of the main national objectives. From here, without strident expressions, but with conviction and firmness, we say we are committed to strengthen our national independence, we are going to reinforce Panama's personality, we are going to work so that all Panamanians can enjoy well-being and peace, and we are going to continue struggling with determination and firmness to ensure respect for our legitimate rights and sovereignty.

I wish to reiterate my inevitable commitment of making sure that the spirit and the letter of the Torrijos-Carter Treaties are fulfilled, as these treaties have cost so much effort and sacrifice from generations of patriots. The fulfillment of these treaties is a [word indistinct] step to consolidating our sovereignty before all nations of the world and all international organizations.

No campaign against the Panamanian state's most sacred interests will overpower our determination to struggle in defense of the unity noticeable here and everywhere in the country today, to struggle to strengthen and show our absolute determination, and to ensure respect for the Republic's integrity and the right of all citizens to a prosperous and independent life. [shouts] The strong ties between the people, government, and Defense Forces that this event conveys is an eloquent reply to the attempts to divide us made by those who want to weaken us to distract us from our firm determination to consolidate national democracy. They will never achieve that goal? [applause] The soldiers of our homeland that this multitudinous mass of people will see marching today are not alone because they are our brothers in uniform, and because all Panamanians must consider ourselves soldiers of our homeland when our homeland requires it and demands it.

The campaign unleashed against the Defense Forces, and particularly against it commander in chief, is not only to harm him as a person, but also is a veiled attempt to prevent the Canal from becoming ours in the year 2000 as provided for in the Torrijos-Carter Treaties. This has been disclosed by one of the most conspicuous instigators. That is why we are here, and that is why we will always say "present" whenver we must defend the sacred national interests. [shouts]

Today is another anniversary of General Manuel Antonio Noriega's assumption as commander in chief of our Defense Forces. Hence, I consider it appropriate to express as president and friend my respect and appreciation for the great efforts he has undertaken and continues to promote to adequately prepare the members of the Defense Forces under his command, so they can thoroughly fulfill the difficult tasks they have at the present time and in the future of defending the country's territorial integrity and preserving the Panamanian family's tranquillity and peace.

This occasion is also an opportunity to congratulate all the members of the 2000 Battalion who are celebrating their 2nd anniversary today. We congratulate them for their devotion, ability, and determination in fulfilling the tasks assigned to them, as the vanguard of their institution in the defense of the Republic's important and sensitive interests when the Canal and its installations revert to the nation.

On mentioning the year 2000 -- a scant 14 years away -- and in view of the future, it is essential that all Panamanians understand the challenge it will be to assume control and operation of the Panama Canal -- one of the most important routes in the world -- responsibly. It truly would not be possible to meet -- as a nation -- the great and serious responsibility I just mentioned unless all Panamanians, regardless of their ideology or party affiliation and over and above any circumstance, understand that we must preserve the peaceful coexistence we are all accustomed. However, it is also essential to expand national education at all levels so that we can properly train future generations to meet future challenges successfully.

It is essential to secure and protect the property of Panamanians so they can take full advantage of their abilities and contribute to their own development and the country's greatness. It is essential to continue stimulating all sectors of our economy, such as the development of commerce and industry, so that they can continue to create new job opportunities. It is also essential to strengthen agricultural production so that the country's interior can duly participate in the nation's development. This is a good opportunity to guarantee the producers of my country that we will never permit the entry of a single grain of subsidized rice to the detriment of the rural workers. [applause]

It is essential to intensify the programs which supply all Panamanians with comfortable and decent housing. It is essential to give the right solution to the complex problem of urban transportation.

There is a huge and difficult task ahead of us. We must tackle it with boldness, intelligence, and creativity in order to truly take advantage of all our resources. Although I have not mentioned it yet, the most important aspect of this task is the struggle we must carry out to modify Law 96-70, which jeopardizes the spirit and intention of the Torrijos-Carter Treaties. [applause]

Our unity becomes stronger and is consolidated with the active participation of all the men and women of our country; with the uninterrupted implementation of democracy; with the consensus born of intelligence and strengthened by the heart and constructive criticism; but above all, with a respect for the rights of others in a climate where there is no slander, insults, or excesses but a responsible use and enjoyment of public liberties so the law will not be considered an object of repression, an object of defiance, nor a mockery. [shouts from crowd]

I firmly believe in freedom of expression, but also in the need to respect the name and honor of all citizens.

Fellow members of UNADE [Democratic National Union], on 10 October 1985, in this same square, I said that I was committed to the preservation and strengthening of this powerful political alliance; of all the UNADE member parties. I have kept my word. Today, I reiterate to you this commitment. Members of the PRD [Democratic Revolutionary Party], PALA [Labor Party, Panamenist Party], Frampo [Popular Broad Front Party], and Republican Party: You who support my administration and are here today [changes thought]...and members of the Liberal Party: You who support my administration and are here today in monolithic unity to manifest your support for this president and for my friend and collaborator, Noriega, share with us the grave responsibility and patriotic duty of working together to accomplish the great and difficult tasks we have discussed. History shall not remember us for our omissions or negligence. We acknowledge that we are not infallible. However, no Panamanian will be able to say we failed to make the maximum effort that our country rightfully demands of us. Thank you very much. [applause]

Noriega on Sovereignty, Canal

PA121912 Panama City Domestic Service in Spanish 1518 GMT 12 Aug 86

[Speech by General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, during a Sovereignty rally at the Cinco de Mayo Plaza -- live]

[Text] Mr President, brothers: Today I wish to begin this conversation with the spiritual guide of the psalmist, who says: They that trust in the Lord shall be as Mount Zion, which cannot be removed, but abideth forever. For the rod of the wicked shall not rest upon the lot of the righteous. God [words indistinct] our pride and we will always thank you.

Here, in this historic plaza, a sanctuary for our nation, a military leader and ruler said during the struggle of another generation: Neither millions nor alms, we want justice. [applause] Those are the words of [the late] General Jose Antonio Remon Cantera, the general of 1953. Here, during the critical period of this struggle, another military leader judged colonialism by asking: Governor of what? [applause and chants of "Omar is present"]

We give a special welcome to the friendly delegation from Villa Neilly, Coto Brus, and Las Mellizas, from Costa Rica, who made a special trip to attend this rally. Welcome to all the men, women, farmers, and trade unionists from the mountains of Ocu. Welcome to the people of Chiriqui, Canazas, Santiago, La Arena, Quebro, Sona; the people from Los Santos province, who travelled from Las Tablas and Tonosi; the people from Herrera who are participating in great numbers; the people from Cocle; from western Panama, La Chorrera; the people from Darien, the Indians from Kuna Yala, from Choco; the Guaymi Indians; and the masses from San Miguelito, Rio Abajo, Parque Lefebre, Pedregal, Pacora, Curundu, Calidonia, Santa Ana, Ancon, El Chorrillo, and Chepo. [applause and chants "Gen Noriega, the people are present"]

Panamanian brothers, this Cinco de Mayo Plaza is today the cemetery of traitors. [applause] It is the cemetery of stateless persons.

It is the cemetery of those who flee abroad, persecuted by the shadow of their own infamy, and seek to take shelter, persecuted by the shadow of their own infamy, under the skirts of Miss Liberty [preceding two words in English] [chants]

Here is the convincing answer to those who seek to undermine the currents of the isthmian fatherland. This nation will not accept any more Bunau-Varillas or John Hays. We will not accept the reincarnation of the Monroes of the past century, or of the Panamanians who speak in Spanish but think and feel in English. We warn those who assimilate everything that we have turned our military cadres into soldiers who are aware of the dignified and exemplary history of Jose Domingo Espinar, Justo Arosemena, Tomas Martin Feuillet, Pedro Prestan, Victoriano Lorenzo, Guillermo Andreve, Mateo Iturralde; of the martyrs of the 1925 tenants movement, those who rejected the Filos-Hines agreement, those of the 1958 student movement, of the January 1964 martyrs, and of Omar Torrijos Herrera with the Canal Treaty. [chants of "Omar is present"]

The people who are here are our democracy. We, the Panamanian military men, believe in democracy, and we will insist on strengthening it, promoting it, and supporting it. However, this will be a democracy in the image of the Renacimiento farmers, of the men in the Chorrillo streets, Curundu, or the indians from Sambu. It cannot be a democracy imposed, demanded, or claimed by telex. It cannot be a class-structured democracy of the traumatized ones who pay northern lobbyists and want to return to the power that [words indistinct] where votes and candidates followed plans and owners. These people do not want to return, and will not return to a restricted democracy where the popular masses were a [word indistinct] guests at the electoral banquet.

For a long time, it was planned that the National Guard, the National Police of that time, would restrict themselves to taking care of drunks and dances, to persecuting ideologists, and to truncating rebellions and the hopes of workers and students. The Armed Forces were confined to their garrisons, where they were out of touch with the people's needs and hopes. On 16 December 1969 military doctrine changed. It became nationalistic, populist, and prodevelopment. Torrijos said: Never again will the Panamanian soldiers' bayonets point at the chests of students, workers, and women engaged in struggles or demanding respect for rights which are lawfully theirs. This principle, which has evolved, been polished, and adapted to the present, lies at the foundation of today's Panamanian Defense Forces.

The minority opposition sectors attack the Defense Forces because they are staffed by the children of lottery vendors and common people, because they no longer serve minority groups, as they did before 1968. Our helicopters and planes transport doctors, engineers, and teachers. They bring the people and government closer to each other. There are no bullets. There is no blood, sorrow, or death. We will not stray from the course we set for ourselves on 11 October: democracy with social justice.

We have [word indistinct] repeated that Panama is different from the countries of Central, South, and North America and the Caribbean. We know which way we are heading. We know how we will use our natural resources and geographical situation and how we will direct our foreign policy. That is why we are concerned about the path that will lead us into the year 2000.

We cannot allow nor would it be responsible to allow frustrations to accumulate as necessary personnel changes take place. This would lead to the collapse of the Canal at the beginning of the next century.

The Torrijos-Carter Treaties became a means to peacefully resolve the differences between Panama and the United States. The Panamanian people and the Defense Forces will see to it that those treaties are kept to the letter. In the continuous struggle for sovereignty, we want to be free to choose our own path and to live in peace and with respect. We are asking for no more, and we will not accept any less. [applause]

That is why we are concerned with the mystery of apportionments in the Canal Commission accounting records that speak of depriving Panama of 60 million [currency not specified]. This is a national security concern of ours. Another national security of ours regards Law 96-70 and the reappearance of a Canal area governor who is camouflaged as chief engineer. That is why we are concerned about the dual interpretation [of the treaties] on key security and sovereignty matters that subordinate spokesmen make. It worries us to see the Canal issue become a political issue in the November [U.S.] congressional elections. We are worried about the plan for a dirty war of slander as the prelude to conspiracy.

Regarding the defense of the Canal, General Galvin said that 10,000 men posted along the banks [of the Canal] will not be enough to defend it. I say that 10,000, 100,000 or 1 million men will not be enough. The defense of the Canal is not limited to having the latest military invention or technical advance. The Panama Canal will be safe only if those who live along its banks have the satisfaction of benefiting from the wealth it produces and so long as ships from all nations may transit it in line with the pro mundi beneficio principle. Following the people's mandate, the Defense Forces champion the banner of peace as the only possible alternative.

[Text] Our community has no room for hatred. It has no room for useless fights which stop production. The Panamanian people want peace, to find solutions for the big economic problems and overcome the IMF. The Panamanian people want unity to create work programs and peace to lower the cost of living. They want peace for education, to live well, and to have an honest labor code. [chants]

Traditionally, we have been and are friends of the U.S. people. However, we will not let colonialist leaders, defenders of apartheid and racism, together with the Panamanian Bunau-Varillas blemish our conquests in exchange for money.

It is easier to serve a group of privileged individuals than to serve the people. It is easier to bow down and yield than to stand firm and serve the homeland. It is easier to go to another country and spend a lot of money spreading lies against ones own nation than to come to a plaza, like the Cinco de Mayo Plaza, and see whether it is true that the people support them or believe in them.

I want to stress, as a guideline for work and as a slogan, that the nationalist success of the year 2000 does not lie in the distant goal of having that year approach as such, but on the daily work, our day to day work, to remain alert, united with loyalty and brotherhood, avoiding machinations, plots, and capitulations. [chants]

President Eric Arturo Delvalle, my brother, is pressured and questioned because members of the Armed Forces are directing the railroad and Renare [Department of Renewable Natural Resources]. However, who were the former administrators of the railroad? U.S. military men. Who delivered that piece of junk [mamotreto] to us? U.S. military men. Who took the nails off the railroad ties to give them away as souvenirs? The administrators. However, now they question the fact that the railroad's administrator is a Panamanian military man.

Regarding Renare, do you remember the Chilibre and Gatuncillo incidents in which the zonian police from Balboa surrounded the ranches, set them on fire, and kicked the people out of the area? That was done by uniformed men, and now they are criticizing the fact that Renare is run by a military man.

We tell foreign correspondents that the only exiles from Panama are backwardness, violence, illiteracy, and social injustice. There are no jails with political prisoners here. There is respect for foreign minorities here. There are no ghettos or racism here. We have human rights here, but not those understood as supply and demand to receive or deny loans. [sentence as heard]

To foreign correspondents we say that this nation is not Haiti or the Philippines. [applause] These armed forces do not have any Duvaliers, Ferdinand Marcos' or Tonton Macoutes. This nation has a name, and its name is Panama [interrupted by applause] and this commander does not give in or surrender. [applause, sporadic shouts: "Viva General Noriega]

COLUMNIST QUESTIONS PUBLIC SUPPORT FOR RALLY

PA122031 Panama City LA PRENSA in Spanish 12 Aug 86 p 1-A

["As of Today" column]

[Text] Today all the resources of the state will be used to satisfy the fancy and vanity of the general of the moment as yet more evidence -- as if more were needed -- that little has changed in Panama in the past 16 years. The apparent purpose of today's public rally is the nationalist affirmation of the Panamanian desires regarding the Canal, allegedly in danger due to the plots, conspiracies, and other similar nonsense that are the product of the imagination of those who lack arguments to face the accusers. The reality is quite different. The rally intends to show that General [Manuel Antonio] Noreiga and the president -- in this order -- have the support and trust of the majority of the people. This is a useless venture. Those who participate know very well that the reasons they have for attending have nothing to do with the national interest or the citizens' values, and, therefore, regardless of how well attended the rally is, it will not be interpreted as a spontaneous expression of support for Noriega and Delvalle. Most of those who will not attend that rally are fully aware of how a public rally of this nature is organized and financed, and they will not be tricked, either. The same happens abroad to those who are interested in what is happening in Panama. However, those who unfairly exploit power will be satisfied because they believe that someone will be tricked by the appearance of the people's support, bought with public resources. The only thing that the public rally will show is that today, as yesterday, the state is at the service of the armed forces, and in particular of whatever the general of the moment decides.

ECONOMY MINISTERS TO DISCUSS CACM 19-20 AUGUST

PA132208 Managua Radio Sandino in Spanish 1200 GMT 12 Aug 86

[Text] The presidents of the Central Banks and the economy ministers of Central America will meet on 19 and 20 August in Managua to approve mechanisms that will reactivate the CACM, according to Nicaraguan Foreign Trade Minister Alejandro Martinez Cuenca. During this meeting, to be held at the Cesar Augusto Silva Convention Center in Managua, Guatemalan, Salvadoran, Honduran, Costa Rican, and Nicaraguan proposals will be presented for the approval of the Central American Imports Rights System, DICA.

The DICA seeks to promote trade in the Central American area, which has been in decline the past few years. From trade that exceeded $1 billion, it decreased to a level of $560 million in 1985. This decrease is due in part to the international crisis affecting these countries' impoverished economies with high import costs for their finished internal consumption products and products for trade within the isthmus. The decrease in trade has resulted in the collection of little foreign exchange to promote industrial production with a view to exporting within the area.

Nevertheless, the DICA is trying to make each of these countries pay their imports in their local currency. The DICA project will be like a large-scale exchange to save the CACM, which must be accompanied by the political willingness of each of the countries which -- despite the deterioration of the prices of their products on the international market and the political problems troubling the area -- are trying to maintain economic unity, which constitutes part of their political willingness.

Simultaneously with this forum of Central Bank presidents and economy ministers, the president of the Guatemalan Central Bank and his economy minister will hold additional meetings with their Nicaraguan counterparts to negotiate the foreign debt and promote bilateral trade between the two nations. Similar meetings will be held with the president of Costa Rica's Central Bank and the economy minister to negotiate the foreign debt and conclude negotiations to bring Nicaragua's payment to Costa Rica to a level in keeping with the country's war economy.

COSTA RICA

HAGUE EMBASSY PLANNED TO HANDLE MANAGUA SUIT

PA131601 San Jose Radio Reloj in Spanish 1200 GMT 13 Aug 86

[Text] Foreign Minister Rodrigo Madrigal has said that Costa Rica will open an embassy in The Hague to handle the Sandinist suit. This step is necessary to attend to the accusation made by the Sandinist regime and presented against Costa Rica at the International Court of Justice [ICJ]. The country will have to assign a large amount of resources to defend Costa Rican honor at the international level, and consequently it will even hire a group of foreign attorneys.

Former Deputy Edgar Ugalde Alvarez, a lawyer who specializes in international law and who has vast experience in juridical matters, will be hired as the judicial representative at the ICJ. A commission of local attorneys has been created to coordinate actions with the foreign attorneys who will be hired to conduct Costa Rica's defense at the ICJ.

Former Foreign Ministers Fernando Volio of the National Liberation Party and Gonzalo J. Facio of the Social Christian Unity Party, as well as former Supreme Court President Ulises Odio Santos. [sentence as heard] Madrigal said that this commission will coordinate all the work for the defense of Costa Rica and will include the participation of representatives of the various political parties.

EL SALVADOR

GOVERNMENT, REBELS VIEW UPCOMING TALKS IN MEXICO

Viera Speaks

PA140341 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 13 Aug 86

[Interview with Deputy Communications Minister Roberto Viera by Rene Hurtado on 13 August in San Salvador — recorded]

[Text] [Hurtado] The Salvadoran Government today delivered a proposal to Msgr Arturo Rivera y Damas, who is acting as the mediator in the dialogue, accepting the preparatory talks with the FMLN-FDR in Mexico City. Roberto Viera, deputy communications minister and the government's official spokesman on matters related to the dialogue, reported that the Salvadoran ambassador in Mexico has received instructions to report to the Mexican Government the Salvadoran Government's decision to hold preparatory talks at the Salvadoran Embassy in Mexico City.

Meanwhile, according to Radio Venceremos, the FMLN-FDR insisted that the dialogue be held in San Salvador, for reasons of facilities and accessibility to all parties involved, and has ruled out the eastern zone, particularly Berlin, San Francisco Gotera, and San Miguel, alleging that these are militarized zones which offer no guarantees to the FMLN-FDR or the people who will participate in the dialogue.

In relation to these aspects, I will interview Deputy Communications Minister Roberto Viera. What can you tell us about the government's proposal to the FMLN-FDR regarding the meeting scheduled for 20 August?

[Viera] This is the government's position: The government has agreed to hold preparatory talks with the FMLN-FDR in Mexico City from 19 to 26 August. The FMLN-FDR has announced that the meeting will begin on 20 August. The government has agreed to this. The government is going to appoint a three-member commission which will discuss the mechanisms to be implemented during the third dialogue. The government has reported to Msgr Rivera y Damas its decision to participate in the preparatory talks in Mexico. We have also asked our ambassador in Mexico to let the Mexican Government know of our decision.

[Hurtado] About the government's commission, it has been said that Julio Adolfo Rey Prendes, you, and a military chief are the members of the commission. Is that true?

[Viera] Nothing has been decided yet about the members of the commission. Before leaving for the Dominican Republic, President Duarte is going to appoint the commission. Meanwhile, the National Dialogue Commission is analyzing and considering the objectives and probable results of the third dialogue.

[Hurtado] Has the government assumed a new position in its new proposal? Has it submitted new conditions for the preparatory talks?

[Viera] The government's new proposal simply reaffirms the position it has maintained and the desire to hold the third dialogue as soon as possible. It also insists on holding the dialogue in the eastern zone. We feel that because it is the zone most affected by the constant state of war, holding the dialogue there could help build some faith and hope. In the eastern zone the guerrilla commanders could see for themselves how the people feel about the war. We also think it is more practical, because the zone is more accessible to the guerrilla commanders. Commander Villalobos could travel to the zone without any problem. As you recall, Commander Villalobos did not attend the first meeting in La Palma, nor the second in Ayagualo, because he could not make it for some reason or another. If we hold the third dialogue in the eastern zone, I am sure that he will make it. The Red Cross and the diplomatic corps accredited in our country will see that he is given all guarantees so that he can participate in the third dialogue. These are some of things we are going to talk about during the preparatory meeting in Mexico. We are going to discuss the mechanisms and procedures to be used during the third dialogue.

[Hurtado] According to Radio Venceremos, the guerrillas have accused the government of trying to postpone the dialogue. The guerrillas want to hold the third dialogue in San Salvador, so that all sectors can participate, as well as the local and international news media. The guerrillas have complained that San Francisco Gotera, San Miguel, and Berlin are virtual military fortresses. They said that on an average there is 1 soldier for every 20 civilians in San Miguel. According to the FMLN, the Atonal Battalion has its operations base in Berlin. In San Francisco Gotera, the Treasury Police and the National Guard are all over the place, the FMLN reported. What do you have to say?

[Viera] Let me tell you a couple of things. First, the Salvadoran Armed Forces is an institution with duties in San Miguel, San Salvador, Santa Ana, and in every corner of the country. The Armed Forces carries out the orders imparted by the government, and when the government gives guarantees the Armed Forces complies with them. The arguments used by the guerrillas are absolutely false. The Armed Forces were in charge of the security in Ayagualo. The Atonal Battalion and the 1st Brigade were in charge of public order in the zone. The FMLN-FDR representatives came to El Salvador and went to Ayagualo. No one interferred with their movements. Do you remember the demonstrations held there? The Mothers Committee and all the political groups that sympathized with the FMLN-FDR were present. The Armed Forces were there and did not interfere with anyone. The Armed Forces proved that it is a professional institution. The truth is they are only trying to delay the dialogue and make changes to cause more problems.

As far as establishing a date for the dialogue, they criticized the government for not wanting a dialogue, for not setting a date or place for the dialogue; now we give them a date, time, place and everything else, and they react negatively. Now they want the commission to meet until 20 September. The Salvadoran people should understand what the government's position is and believe that the government is serious and sincere in its dialogue proposal, to help us find peace.

In fact, the FMLN-FDR has proven with its arguments that it is more interested in creating obstacles with dilatory arguments than in setting a date and place for the third dialogue.

Duarte on Rebel Demands

PA140008 San Salvador Radio Cadena YSU in Spanish 1800 GMT 13 Aug 86

[By Carlos Mario Marquez]

[Text] President Jose Napoleon Duarte will appoint the commission tomorrow that will represent the government at the preparatory meeting for the third round of talks on 20 August in Mexico. The president talked this morning with the news media about the commission which he will send to Mexico.

[Begin Duarte recording] My government presented a proposal to the bishop for a preparatory meeting at the Salvadoran Embassy in Mexico City. Thus, it will be held on Salvadoran territory, from 19 to 26 August and [words indistinct] the meeting -- probably more than one -- so we have already ordered the delegation that will represent us to depart on 19 August. I imagine they will begin the meetings on 20 August. I will probably decide who will comprise the commission on 14 August, during the afternoon meeting; I have not decided yet. [end recording]

When the president was asked about the fronts' refusal to meet at the Salvadoran Embassy in Mexico City, President Duarte explained:

[Begin recording] [Duarte] Well, this shows you how stubborn they are, but it is not important. They obviously wanted it to be held in Salvadoran territory; that is why I offered them the Salvadoran Embassy in Mexico City, because it is Salvadoran territory. Now it turns out that they do not accept this, either. Theirs is an attitude of permanent hostility concerning minor details, things without importance, and mechanisms. They only want to be in the news; all they want is to maintain a permanent confrontation about minor things.

I am not worried about minor things; I want to discuss fundamental things. All I want to discuss is: Are they willing to join the democratic process? Are they willing to give up violence as the way to attain power? I want them to say if they are willing to understand that the democratic process implies that power is attained through the people's will; likewise, the person in power should know when to assume the post and when to step down.

Consequently, no one should form schemes to impose external governments on the people -- like that of Fidel Castro or Ortega, who no longer talks about elections, who does not want to give the people the opportunity to choose their own destiny. That is what I want to talk about, that is the topic I am interested in. I am not interested in whether it will be held on 19, 21, or 20 August; or whether it will be held here or there. These are the topics that they are using to create unnecessary confrontations.

[Marquez] What about the place? Have you agreed on a place?

[Duarte] Well, I have offered all the cities in the eastern side [laughs] so that they may choose. They insist... [changes thought] I do not know if you are aware of the document that they have presented. The document says: First of all, it should be held in San Salvador; second, it should last a long time. They want to be here 4 to 5 days, meet with every sector, hold forums, and get permanent publicity.

They also want to hold a meeting with the government and all the sectors, but they also want a big audience. You can imagine what it would be like to discuss our people's peace, shouting at each other, insulting each other, and you photographers taking lots of pictures. What possibility would we have of reaching an understanding? Furthermore, and this is more grave, they say that the city of San Salvador should be demilitarized, and they will come with their armed guerrilla fighters to San Salvador. You can imagine what this will mean. This would create an atmosphere of violence; it would lead to an overall confrontation -- and this does not contribute to creating a peaceful atmosphere.

Thus, I said: No, gentlemen, this cannot be. We must find a place where we can meet -- let the journalists come, let the people come -- but it should not be a concentration...[corrects himself] a confrontation, because if a group brings 20,000 followers, the other group will bring 50,000; and if those meet on a street, it would take only a single shot for all our peace efforts to be rendered null and void. Consequently, I have proposed that we go to a place where the people are suffering the direct effects of all this. [end recording]

When the president was told that the rebel leaders have stated that the dialogue cannot be held in any of the three eastern zone cities which were proposed because the military commanders do not obey the president the Salvadoran president said:

[Begin Duarte recording] First of all, I would like to tell you that this is completely false. The argument that there are some commanders who refuse to obey orders is completely false. I personally sent Commander Ochoa Perez to La Palma to meet with the people and tell them that the troops would leave La Palma and would not return during the 3 days that the zone would remain demilitarized. Nevertheless, the guerrillas -- and there are witnesses who can assert this; you are probably among these witnesses -- came armed and had La Palma completely surrounded. They set up armed posts on all the roads to the city; I came unarmed, without protection. Thus, I adopted the decision to talk precisely about this.

During the second meeting, at Ayagualo... [changes thought] I think you all know that there was a triple protection plan. First, we had the National Police; second, the 1st Infantry Brigade; and third, the Atlacatl Battalion. You could see that everyone was allowed through; the women, university students, everyone passed without problem. So, it is absolutely false... [change thought] Furthermore, I guarantee with my life the protection of those who are appointed delegates to attend the dialogue. I think that the president's life is enough guarantee for anyone. [end recording]

FDR's Oqueli on Venue

PA132340 San Salvador Radio Cadena YSU in Spanish 1800 GMT 13 Aug 86

[Telephone interview with FDR leader Hector Oqueli Colindres in Mexico City, by Carolo Mario Marquez in San Salvador on 13 August -- recorded]

[Text] [Marquez] FDR leader Hector Oqueli Colindres has contacted us from Mexico City to give us his opinon regarding the preparatory meeting at the Salvadoran Embassy in Mexico City.

[Oqueli] I want to report to the Salvadoran people that a preparatory meeting has been scheduled for 20 August.

What we have to decide now is the exact place where we are going to meet. So far, we have agreed on the country, we have agreed on Mexico. However, we were somewhat surprised to learn that the Salvadoran Government still has not officially notified the Mexican Government about it. It is like going to a stranger's home without letting him know. The main reason for the preparatory meeting is to decide on the place, date, and security measures for the third round of talks. These are the points we are going to discuss. We have already appointed our delegation, which is comprised of companeros of both fronts. In due time, we will release their names.

[Marquez] This morning President Duarte said that the Salvadoran delegation will be appointed on 14 August and will leave on 19 August for Mexico. He did not say where you are going to meet, but he has offered the Salvadoran Embassy. Would you accept this proposal from President Duarte?

[Oqueli] It is our opinion that whether we meet at the Embassy or at the ambassador's home, we would not have the privacy we need to decide on the date, place, and security measures. If we meet there, we would have a lot of people trying to get us to make statements and give details about the meeting.

HONDURAS

AZCONA ON MARITIME TREATY, ALLEGED GAG LAWS

PA140307 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 12 Aug 86

[Jose Domingo Flores report on "exclusive" telephone interview with President Jose Azcona Hoyo in Tegucigalpa; date not given -- recorded]

[Excerpts] [Flores] President Jose Azcona Hoyo has discussed with our press department the results of his meeting with General Humberto Regalado Hernandez, Honduran Armed Forces commander in chief:

[Azcona] Well, he briefed me on the problem of Deputy Roberto Zelaya, the problem at INA [Natioanl Agrarian Institute], the visit that was paid him by members of the FUTH, the United Federation of Honduran Workers, and other topics we have to deal with every day and more so since my return from Colombia on 9 August. [passage omitted]

[Flores] The agreement signed with former Colombian President Belisario Betancur has given rise to strong criticism against you. In addition, it is said it will [words indistinct] the National Congress. What do you think about this, Mr President?

[Azcona] I don't see any reason for the criticism, because I think that the settlement reached through this treaty is good for Honduras, (?that is to say), the treaty was signed by the two foreign ministers, but of course this was done with the blessing and approval of the presidents. I have already given quite a few explanations about this. Before reaching the decision to sign the agreement and to authorize the foreign minister to sign it, we held several sessions at which Armed Forces and Foreign Ministry advisers were present. We reached the conclusion that it was best for Honduras to sign the agreement, that is, the treaty delimiting this part of our territorial waters.

The important thing is that the beneficiaries of this treaty, who are fishermen of our Islas Department, fully support it because they know that Honduras' sovereignty could not be effectively exercised over those shoals. Now that this treaty exists, at least the Rosalinda Cay and part of the Serranilla Cay are part of Honduras' territorial waters, and they will no longer face the danger of being captured [words indistinct] Colombia, as was the case previously. [passage omitted]

[Flores] This agreement must be approved by the National Congress. Have you issued any instructions personally to the deputies?

[Azcona] No, I will not talk to any deputy or anyone else about its approval. I have clearly said so. The foreign minister has the pertinent instructions, and he has already given the required explanations. It is an exclusive function of those who exercise the sovereign representation of the Honduran people to ratify that treaty. If they do not ratify it, I think we will miss an opportunity to delimit a very important part of our maritime boundaries. If it is ratified, all right, and if it is not, I will not make any efforts before any deputies to obtain this ratification. [passage omitted]

[Flores] Did you meet at any time with the Nicaraguan vice president during your visit to Colombia?

[Azcona] No, I did not meet with Dr Sergio Ramirez anywhere. [passage omitted] I did not have an opportunity to exchange even a few words with the Nicaraguan vice president, because we did not meet anywhere.

[Flores] Regarding freedom of speech and the attack on journalist Rodrigo Wong Arevalo, the president said:

[Azcona] We have talked with the Armed Forces commander, and he has informed me that they are conducting investigations of both cases as well as the case of Deputy Rodolfo Zelaya. I think that the case of journalist Wong Arevalo was regrettable, and it is under investigation.

[Flores] [Words indistinct] gag law in our country. What is your opinion about this, Mr President?

[Azcona] [laughs] How can there be a law to gag newsmen in our country when you have called the presidential office and I am answering you by telephone? [passage indistinct] There is full freedom of the press here, and I am demonstrating this fact at this moment. These dispatches and reports by radio stations are full of nonsense. Anyone who reads the newspapers and listens to the Honduran stations [laughs] can never imagine that a gag law can exist here. The exact opposite is true. Maybe the gag law is for us, not for the newsmen. There is no sense in this. The things that happen are regrettable. However, the government respects freedom of expression absolutely, like nowhere else in the world, I think. [passage omitted]

[Flores] (?Have you asked for) an investigation into the controversy between the FUSEP [Public Security Force] commander and the chief of military intelligence?

[Azcona] Yes. It has been requested. As I said, even without requesting it the Armed Forces is conducting an investigation. I do not want to make any advance reports, but pertinent investigations are indeed being conducted. [passage omitted]

NICARAGUA

NUNEZ LINKS U.S., CONSTITUTIONAL DEBATE ISSUE

PA131925 Managua Sandino in Spanish 1930 GMT 12 Aug 86

[Text] Commander Carlos Nunez, president of the Legislative Assembly, said today that the Constitution will be drafted with or without the Liberals and Conservatives. Commander Nunez rejected any kind of political blackmail by the opposition parties, which are trying to set conditions for their participation in the drafting of the constitution.

Commander Nunez made this statement upon declaring open the new stage of the constitutional debate, which consists of drawing up an opinion on the constitution that will be presented to the Assembly plenum in September for discussion and approval. In this context, the revolutionary leader asserted that there is incontestable evidence that the absence of certain parties from the contitutional debates forms part of an overall sabotage plan by the U.S. Administration.

Nunez also said it is regrettable that Virgilio Godoy, president of the Independent Liberal Party [PLI], has taken the wrong path and is lending himself to the dirty game of the Reagan administration.

Regarding the position of the Conservatives, Commander Nunez asserted that the FSLN and he, as president of the Legislative Assembly, are prepared to engage in fraternal dialogue with the parties represented in the Assembly to iron out differences. However, he clearly stated that he will not yield to any type of blackmail. Commander Nunez reasserted that the only political dialogue in Nicaragua is the one that takes place at the Assembly, and therefore neither the FSLN nor the revolutionary government regard the abstentionist parties that comprise the Ramiro Sacasa Coordinating Board as valid interlocutors. By this he referred to a proposal that was recently submitted by the Social Christian Party.

[Begin Nunez recording] The U.S. Administration is not just promoting a policy of division. Through its officials, the U.S. Administration is promoting an overall plan aimed at getting the maximum number of parties represented at the Legislative Assembly to completely withdraw from the work on the constitution. To achieve this, they have not hesitated in attempting to convince the leaders of various political parties or in inviting them to the embassy, while at party headquarters officials identify those individuals who interest them. We are witnessing the beginning of a new struggle, which will not only include threats but will be undertaken every day, as attempts are made to convince legislators or patriotic political leaders who disagree with the FSLN not to lend themselves to that kind of maneuver.

I have said this before: The U.S. Government is advancing an overall strategy intent on fostering simultaneous offensives on the military, international, and domestic levels, while trying to establish an internal front. All this is aimed at isolating Nicaragua from the rest of Central America; from a broader perspective, from Latin America; and on an international level, from Europe.

It does not frighten us that the PLI is not here. However, it must be said that this is part of an overall strategy. [end recording]

LIMA DAILY INTERVIEWS INTERIOR MINISTER BORGE

PY122318 Lima EL NUEVO DIARIO in Spanish 30 Jul 86 pp 19-21, 23-26

[Interview with Interior Minister Tomas Borge by Rodolfo Mattarollo, "after Holy Week," place not given]

[Excerpts] [Mattarollo] At this crucial moment that Nicaragua and Central America are experiencing, international solidarity has perhaps not yet developed sufficiently, although the awakening of a movement of solidarity has been observed recently in the United States.

[Borge] The Nicaraguan revolution has often been accused of being a new Cuban revolution. The truth, though, is that the revolution in Nicaragua is for a new Nicaragua, but it could also become a new Vietnam. This certainly worries the U.S. people, who experienced a serious trauma in the war against the Vietnamese people. That war could be repeated here if the U.S. Government should decide to intervene and recreate the Vietnamese trauma. The last speech by President Reagan was unreasonable and instinctive. We were accused of being drug traffickers. The center -- I don't really know its name -- of drugs in the United States affirmed that it is absolutely untrue that we are drug traffickers. For the second time this agency affirmed that Nicaragua is not a link in the chain of drug trafficking. Reagan's accusation that we set a synagogue on fire was denied by Jews themselves.

Then came the accusation that we had sent arms to Brazil and other Latin American countries, which was also denied by the Brazilian Government and other South American governments. The charges that we have supplied arms to the Salvadoran revolutionaries have never been substantiated. In sum, a slew of imprudent and unrestrained charges made by Reagan have backfired, because the bold lies, although they had an immediate effect on the U.S. public, can be easily refuted by facts. This partly explains the defeat of the Reagan policy in the House of Representatives in a vote on $100 million in aid to the contras. It is obvious that Reagan has little regard for the public opinion of Latin America, the world, or to some degree, of the United States, since the majority of the American people do not favor either direct or indirect aggression against our country. The U.S. majority is not in favor of direct intervention or intervention by proxy through the counterrevolutionaries. Nevertheless, we do not consider the defeat of the Reagan policy in Congress a victory for Nicaragua.

[Mattarollo] For 5 years the Nicaraguan people have been suffering the armed aggression of the contras and the United States. Mention has been made of weariness in the social sectors, which is visible in the difficulties encountered by the Patriotic Military Service. [SMP].

[Borge] I believe that the real problems in the military service have been exaggerated because the Sandinist Popular Army has qualitatively improved its ranks with personnel from the SMP. Logically, there have been minority sectors that indeed avoided the SMP. It has been resisted by some parents because this is not a John Wayne war, but a real war, and they were concerned that their sons might die. This unjust war has already cost us lives. There are also many youths who, because of their nature, are afraid of the war. There are also some who, because of their political position, do not want to defend the revolution. Many who avoided the SMP joined the ranks of the counterrevolution and died there. The great majority of Nicaraguan youths, however, have participated. We can even speak of an obligatory military service that is in fact a voluntary service. Nearly all the youths who joined the SMP did so under the provisions of an obligatory law, but also by their own free will.

Another phenomenon occurred. The requirements of the war were increasingly demanding, and the military training of the youth was relatively insufficient. Only with time was the level of military training of the youths who joined improved, and consequently the number of casualties in clashes with the counterrevolutionaries declined. This improved the morale of the fighters, and this has also been a reason youths were more strongly attracted to an obviously winning army. [passage omitted]

[Mattarollo] On one occasion you promised the enemy you would rather forgive than resort to revenge. However, in the face of attacks how are you going to prevent a spiral of violence, keep your humane feelings, and resist the madness of horror?

[Borge] There is a sentence that summarizes our concept in relation to the contradictions of the enemy. It is as old as the FSLN and it is in full agreement with the teachings of Carlos Fonseca: "Implacable in combat and generous in victory." I believe that generosity is part of the essence of the revolution and I am convinced that no attack, as act of violence, or brutality will weaken our historic decision to be generous.

[Mattarollo] The need for a new people's identity in Central American society has been discussed. The original element of this identity is the fusion of Christianity and Marxism, which is forging a new cultural and psychological identity among the Nicaraguan people.

[Borge] I believe that historic experience is part of every revolution. There may be talk of something new which is actually the result of a historic experience in which the people's identity, if we talk about people, has obtained a new dimension. If we study the revolutionary changes throughout history, we can see that independent of the social class that headed the revolution, the great masses have played an active part in it and no revolution could be possible without them. In Nicaragua the people's participation had particular characteristics which created the basis for a new historic experience. The people's participation was very significant because the revolution's victory was achieved through an insurrection comprising a wide range of forces. However, the main participants in this revolution were the poor people of this country. [passage omitted]

[Mattarollo] Is the relationship between Christian ethics and revolutionary ethics seen more easily in practice?

[Borge] We believe that revolutionary ethics is not at odds with traditional ethics although revolutionary ethics has higher standards. According to our own historic experience some Christian principles are quite valid in the revolutionary society. It has been preached to "clothe the naked." This was said at a theology congress in Madrid, but we believe that "clothe the naked" means develop the textile industry and not distribute second-hand skirts to local jails on weekends. "To feed the hungry" means to develop a land reform program to produce more so that people can eat. To be consistent with the mercy of justice means to develop a modern and highly humanitarian penitentiary system. Thus, one is consistent with the principles that have been traditionally regarded as Christian. In Latin America we must transfer these principles to a new level and implement them in accordance with a real situation arising from a revolutionary transformation, as in the Nicaraguan case. "Love one another," states the rule. However, to rescue the exploiting classes, so they cease being exploiting classes, is a greater expression of love. I believe that to be able to actually love the bourgeoisie, we must suppress them as bourgeoisie. Suppress the bourgeoisie as a social class in historical terms. Do not interpret me as saying that we have already decided to suppress the bourgeoisie in Nicaragua! For the time being we are trying to civilize the bourgeoisie. However, in the end, I believe that some day the exploiting classes will disappear from human history, and men will truly become brothers to each other. [passage omitted]

[Mattarollo] The Nicaraguan revolution is usually examined in the light of political pluralism by the West. In the face of aggression, however, it is not easy to maintain a pluralist democracy; the temptation of authoritarianism can gain strength.

[Borge] The authoritarian temptation can be automatically blocked when real democracy exists. The fundamental condition for the existence of real democracy is national independence. Dependency generates the need for internal repression. There are no people who can be resigned to dependency, because dependency creates discontent. Dependency not only injures the dignity of a country but it also entails exploitation. To keep people who are not resigned to being dependent under the yoke of dependency, an antidemocratic mechanism must be created. The lack of democracy is tantamount to dependency. Independence begets democracy and an independent country does not need to suppress democracy. In a democracy, repression is limited to the enemies of independence and democracy. The law-enforcement agencies of the state are exclusively intended to deal with those minority sectors that are enemies of democracy and independence, which because they are minority sectors are easy to control. In Nicaragua, the "state of emergency" is nothing but the state's law-enforcement tool to deal with the enemies of democracy and national independence.

[Mattarollo] In "Face the People" the weekly television program in which the government reports to the people, a Miskito woman recently forcefully demanded the right of criticism, distinguishing criticism of government officials from criticism of the revolution. She also spoke against the tendency to discourage dissent.

[Borge] I do not have the slightest doubt that there are some who oppose criticism under the pretext that criticism is directed at the revolution. I believe that the main critic of the revolution should be the revolution itself, and that the revolutionary leaders should be the main critics. Bureaucracy begets corruption. Surely some bureaucrats will be hostile to criticism. Bureaucracy is therefore the worst enemy of the revolution, after imperialism. By the way, that program you referred to is a program in which criticism is not only possible but necessary. Criticism is a necessary tool not only within the Sandinist Front, but for the masses also. It is an indispensable mechanism of vigilance, which should be encouraged, without allowing radical criticism, criticism for the sake of criticism, but allowing constructive criticism.

REAGAN SPEECH ON NICARAGUA, S. AFRICA NOTED

FL131152 Havana Radio Progreso Network in Spanish 1100 GMT 13 Aug 86

[Text] In Chicago, U.S. President Ronald Reagan has reiterated his policy of hostility against Nicaragua and his refusal to apply economic sanctions against the South African racist regime.

In a press conference in Chicago, President Reagan once again called on the Senate to approve the proposed $100 million in aid to the Nicaraguan counterrevolutionaries, and he reiterated his old and false agruments against the revolutionary Government of Managua.

FIDEL CASTRO RECEIVES MERIT ORDER FROM POLAND

FL130253 Havana Radio Reloj Network in Spanish 0202 GMT 13 Aug 86

[Text] The Polish Council of State has conferred on our Commander in Chief Fidel Castro the Great Merit Order of the Polish People's Republic as an acknowledgement of his work for peace. According to the Polish news agency PAP, it also pays tribute to Fidel's contribution to the development of the multiphased Polish-Cuban relations and the broadening of friendship among the peoples. The national television also released a congratulatory message sent to our commander in chief by the Polish United Workers' Party [PZPR] first secretary and head of state, Wojciech Jaruzelski. In the letter, Jaruzelski highlighted the respect and friendship the PZPR and all the Polish people feel for the first secretary of the Communist Party of Cuba, Fidel Castro.

PEACE MOVEMENT ON U.S. TROOPS IN KOREA

FL131438 Havana Radio Progreso Network in Spanish 1100 GMT 13 Aug 86

[Text] The Cuban movement for the peace and sovereignty of the peoples has issued a declaration demanding the cessation of U.S. provocations against the DPRK and withdrawal of Yankee troops from South Korea.

The document supports the DPRK's proposal to accept a tripartite meeting between the military authorities of North and South Korea and the U.S. Army stationed there. It also denounces the opposition expressed by the Seoul government and the Reagan administration against the conversations.

RODRIGUEZ, INDIAN OFFICIAL MEET IN HAVANA

FL121300 Havana Radio Progreso Network in Spanish 1100 GMT 12 Aug 86

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has met in Havana with Indian official (N Fe Jayin), who has been in Cuba since 9 August.

During the meeting, the two leaders discussed preparations for the eighth nonaligned countries meeting to be held in Harare, Zimbabwe, and principal aspects of the current situation in that movement.

AGRICULTURE MINISTER ENDS VISIT IN SOVIET UNION

FL122340 Havana Radio Rebelde Network in Spanish 2300 GMT 12 Aug 86

[Text] Agricultrue Minister Adolfo Diaz Suarez today ended a 10-day official visit to the Soviet Union at the invitation of the USSR State Committee of Agroindustry. During his stay, the Cuban minister met with that committee's highest-level authorities and toured centers of agricultural interests in Estonia.

BRIEFS

BAHAMAS AMBASSADOR PRESENTS CREDENTIALS -- Today Comrade Juan Almeida Bosque, vice president of the Council of State, presided over a ceremony honoring his excellency Mr Davidson (Lincoln) Heiburn, who presented documents accrediting him as Bahamaian ambassador. Interim Foreign Minister Comrade Jose Raul Viera Linares participated in the ceremony. After the event, the ambassador went to Revolutionary Square and placed a floral wreath at the Jose Marti monument. [Text] [Havana Television Service in Spanish 0000 GMT 10 Aug 86 FL]

HERRENBERG RETURNS FROM COLOMBIA, NOTES MEETINGS

FL132204 Paramaribo International Service in English 1730 GMT 13 Aug 86

[Text] A Suriname delegation headed by Foreign Minister Hank Herrenberg returned to the country last Sunday from Colombia where they represented Suriname at the inauguration of Colombia's new president, Virgilio Barco Vargas.

During his visit to Colombia, Minister Herrenberg met with Venezuelan President Jaime Lusinchi and his Foreign Minister Simon Alberto Consalvi. Mr Herrenberg also held talks with the foreign ministers of other countries who were also present at the inauguration.

GOVERNMENT OFFERS REWARD FOR HOSTAGE INFORMATION

FL132131 Paramaribo International Service in English 1730 GMT 13 Aug 86

[Text] The Government of Suriname has promised a reward of 25,000 guilders for information leading to the return of the 12 privates who are being held hostage by the [illegible] Brunswijk group since July 21st. In a declaration which was issued yesterday, the government expressed its full support for the tactics employed by the investigating authorities. These tactics are aimed at securing the return of the 12 without further bloodshed.

Hostages Send Parents Letters

FL132049 Paramaribo International Service in English 1730 GMT 13 Aug 86

[Text] The parents of the 12 privates who were taken hostage by the Brunswijk group have received letters from their sons. According to the postmark on the envelope, the letters were posted from French Guiana. Six of the letters were handed over to the military police. Both the parents and the military leaders have concerns that the handwriting were those of the missing soldiers. According to the authorities, the letters are regarded as evidence that the hostages are still alive. They were, however, unable to determine from the letters where the soldiers are being held hostage.

BOLIVIA

ASSASSINATION PLAN REPORTEDLY INCLUDED PRESIDENT

PA131334 Bogota Television Service in Spanish 0000 GMT 13 Aug 86

[Text] It was learned in Bolivia today that drug trafficking groups in Colombia planned the assassination of Bolivian President Victor Paz Estenssoro and three of his ministers as a reprisal against the gigantic police operation launched in Bolivia against drug trafficking.

It was also learned that the drug traffickers offered $400,000, approximately 80 million Colombian pesos, for the elimination of the president and the foreign, interior, and war ministers. Two people involved in this violent plan were arrested, and they confessed their plans to Bolivian authorities. The assassination attempt was to have been carried out between 1 and 18 August.

PARAGUAY

CENTRAL BANK, GOVERNMENT,COMPLY WITH IBRD

PY132200 Asuncion HOY in Spanish 13 Aug 86 p 11

[Excerpts] The government will draw from reserves of more than 20 billion guaranies set aside in the national budget to service its foreign debt. This is to comply with an agreement reached with the IBRD [International Bank for Reconstruction and Development]. These reserves will provide funds to cover the difference between what the Central Bank will pay out for every dollar received through IBRD credits and what the IBRD requires the Central Bank to pay out. This means that to comply with the IBRD requirement each dollar granted in credit be converted into 320 guranies going into the internal market, the Central Bank will put up 240 guaranies, and the government will put up 80 guaranies. [Passage omitted]

Law 1166, which approved the nation's general budget for the present fiscal year, apportions 50.331 billion guaranies to this year's foreign debt payments. This sum is higher than is needed to meet this year's $185-million foreign obligations, because at the current rate of exchange of 160 guaranies per dollar for this operation, 29.6 billion guaranies will be sufficient. Therefore, the remaining 20.731 billion guaranies in the government's reserve fund will be used to cover the 80-guarani difference between the 240 guaranies per dollar exchange rate -- which the Central Bank will negotiate for the IBRD-supplied dollars -- and the 320-guarani per dollar exchange rate at which the government has agreed to negotiate. [passage omitted]

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LEADERS REACT TO U.S. SENATE CONTRA AID VOTE

Panamanian Foreign Minister's Remarks

PA150230 Panama City ACAN in Spanish 0140 GMT 15 Aug 86

[Text] Panama City, 14 Aug (ACAN-EFE) -- The U.S. Senate's approval of $100 million in aid for the contras "is a decision which does not help the Contadora peace process," Panamanian Foriegn Minister Jorge Abadia Arias stated today.

Abadia added that, nevertheless, "the peace process is not helped by closing the news media in Nicaragua and the explusion of clergymen from that country."

"The aid to any irregular force in the area, regardless of its ideology, hinders the Contadora Group's peace efforts and makes our task even more difficult," Abadia told ACAN-EFE.

The Panamanian representative to the Contadora Group, which includes Venezuela, Mexico, and Colombia, did not reject the possibility that the peace organization might reply to a Nicaraguan appeal to study the matter, if the country requests that.

New Colombian President Virgilio Barco stated his interest, during his inauguration, "in reactivating the Contadora Group's efforts." "There is a possibility that a new meeting" might be discussed during Joaquin Balaguer's inauguration this weekend in the Dominican Republic," Abadia said.

Nicaraguan President Daniel Ortega said today in Managua, shortly before departing for Santo Domingo, that he would discuss the current situation in this country with the Contadora Group, as well as "the danger of an aggression."

According to Ortega, the United States has violated international law by directly intervening in the internal affairs of a sovereign state and helping rebel forces oppose a legally established government.

"We respect the decisions of all the presidents who are our friends, without exception, because we want them to respect our own president's decision," Abadia said.

Uruguayan Senators' Condemnation

PY141938 Montevideo Radio El Espectador Network in Spanish 1600 GMT 14 Aug 86

[Text] All Uruguayan political sectors today criticized the U.S. Senate decision to approve the $100-million aid package for the Nicaraguan contras, because this step could delay the democratization of Latin American.

El Espectador this morning talked with Senators Eduardo Paz Aguirre, of the Colorado Party, Guillermo Garcia Costa, of the Blanco Party, and Enrique Martinez Moreno, of the Broad Front.

Senator Paz Aguirre said the U.S. Senate decision shows disregard for Latin American feelings and violates the law.

[Begin Paz Aguirre recording] I want to reiterate what I have already said. The U.S. Government and Congress have made a serious mistake. The House of Representatives had already approved the $100 million in aid for the contras, and now the Senate approved it, narrowly, in a 53 to 47 vote. This allows the U.S. Government to provide the aid to the Nicaraguan contras.

I believe this is a serious mistake, because it clearly violates international law. No country is entitled to meddle in the domestic affairs of another country in such an improper manner. Even further, no country is entitled to openly provide financial support, as the United States is doing now, to military troops that will operate from third countries, like Honduras, which are not entitled to serve as a beachhead or as a spring board for an armed offensive against a neighboring country.

This U.S. decision to finance and support revolutionary movements against an established government, no matter the origin of that government, has further complicated and aggravated the problems and conflicts that have long affected Central America. [end recording]

For his part, Blanco Party Senator Guillermo Garcia Costa said that the Uruguayan Senate and Government are likely to issue a statement reflecting our opposition to the U.S. Senate decision.

[Begin Garcia Costa recording, in progress] ...and I obviously expect that all Uruguayans and Latin Americans will agree. This attitude on the part of this great power has caused great displeasure and disappointment. With impunity, the United States has violated international treaties and the rules of international coexistence. This attitude will create new conflicts, which will emerge in the future, and will inflict very serious wounds that will be very hard to heal. This makes it very difficult for Latin American countries to maintain the kind of relations they have always wanted to have with the United States, which has turned this effort into a very difficult task.

One clearly realizes that this type of action can lead to chaos. Despite all this, the step has already been taken. Well, may God keep the situation from worsening to the point we fear, that is, to a situation of new conflicts that will add fuel to the flames. [end recording]

In turn, Broad Front Senator Enrique Martinez Moreno, of the 99 list, said the situation which the U.S. aid can cause in Central America could spark a world crisis. He believes that the $100 million will not be enough, because the contras will not know how to spend it.

[Begin Martinez Moreno recording] Well, the U.S. Senate decision to support Reagan was predictable, bacause in the Senate the Republican Party holds a majority that it does not have in the House. Therefore, I am not surprised that Reagan succeeded by seven or eight votes in his plan to obtain a large amount of money, over $100 million, to destabilize the Nicaraguan Government. This is the objective of this second Theodore Roosevelt. He once again wants to use the big stick policy as his preferred weapon in his Caribbean backyard, as they call it. This is an old policy which does not surprise us at all, especially since it comes from Republican Party leaders, who are the most faithful representatives of U.S. imperialism in that region. [end recording]

ADMIRAL AROSA COMMENTS ON DEFENSE, AWACS DEAL

PY142103 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1340 GMT 14 Aug 86

[Text] Buenos Aires, 14 Aug (NA) -- Navy Chief of Staff Vice Admiral Ramon Arosa today stated that his force prefers the title of "commander" for the senior Naval officer who heads the Navy. He explained that the title should contain just one word, "commander" because there is only one commander in chief, who, according to the Constitution, is the president of the Republic.

Arosa made this statement at a meeting of the Senate Defense Committee, where he was invited to express the Navy's opinion on the defense bill which has been approved by the Chamber of Deputies and is now under study by the Senate.

Arosa, who was welcomed by Senator Antonio Berhongarary, president of the Defense Committee, indicated that "on matters of defense the Navy wants legislation to be as complete as possible, something that could last for centuries."

The Navy chief said that the Armed Forces intelligence services should not get involved in domestic operations "if it involves watching over other sectors of the national community." He indicated, however, that "intelligence operations inside the country are also necessary for national defense in the face of a foreign enemy."

When asked about a press report on the possibility that the Navy may exchange two missile frigates with Saudi Arabia as partial payment for two AWACS airplanes equipped with sophisticated equipment for detecting enemy forces, Arosa said, "I am not aware of this."

About the eventual destination of the airplanes if the exchange does take place, Arosa said, "if the airplanes are equipped for submarine detection they should be for the Navy, but if they are equipped for other operations they should go to the Air Force."

The meeting was held in the Rosado Hall of the Senate and was also attended by Senators Adolfo Gass, Juan Trilla, Carlos Gomez Centurion, and Felix Bravo Herrea.

NICARAGUAN MISSION ON ICJ RULING VISITS

PY142353 Buenos Aires DYN in Spanish 1845 GMT 14 Aug 86

[Text] Buenos Aires, 14 Aug (DYN) -- Nicaraguan diplomats here today concluded a mission aimed at thoroughly reporting on a ruling by the International Court of Justice [ICJ] in the Hague, condemning the U.S. military intervention in Nicaragua, that small Central American country.

The informative mission was headed by Carlos Arguello, a Nicaraguan lawyer who held meetings with Raul Alconada Sempe, the Latin American affairs under secretary of the Foreign Ministry; Adolfo Gass, the chairman of the Senate's Foreign Relations Committee; the Radical Civic Union [UCR], Peronist Renewal faction and Intransigent Party leaders.

Arguello, who is the Nicaraguan ambassador to the Netherlands and the head of the mission of Nicaraguan lawyers to the ICJ, was accompanied during the meetings by Nicaraguan ambassador to Argentina Fernando Guzman Cuadra.

Incidentally, the Nicaraguan ambassador to Argentina praised the government led by Raul Alfonsin for "its active negotiations for world peace" and especially for the support given to the Contadora Group to peacefully solve the Central American conflict.

Before returning to the Netherlands, and after completing a 1-week visit to Brazil and Argentina, Arguello held a press conference, giving an account of the 12-to-1 ruling handed down by the court on 27 June, condemning the U.S. military intervention in Nicaragua and asking the Reagan administration to indemnify the small Central American country.

COMMUNIQUE ON FISHING PACT WITH USSR, U.K. RESPONSE

PY150225 Buenos Aires TELAM in Spanish 0115 GMT 15 Aug 86

[Text] Buenos Aires, 14 Aug (TELAM) -- The Foreign Ministry has said that the fishing agreement signed between Argentina and the Soviet Union refers to the Argentine exclusive economic zone and adjacent zones in full compliance with the principles and regulations of international law and especially with the UN Law of the Sea. The Foreign Ministry made this statement in connection with the Foreign Office (the British Foreign Ministry) declaration invalidating the agreement.

In a communique released tonight, the Argentine Foreign Ministry says that as an international agreement between two sovereign states, without British participation, the statements contained in the declaration are surprising.

The Argentine Foreign Ministry adds that the agreement's purpose is bilateral cooperation, the reactivation of the Argentine fishing sector, and the protection and use of fishing resources.

A British Foreign Office spokesman yesterday stated that the Argentine-Soviet agreement would have no basis in international law because British sovereignty over the Malvinas gives London the right to exercise fisheries jurisdiction over these waters.

The protection zone set up by Great Britain after the 1982 war over the Malvinas extends to 150 miles around the islands.

RADIOACTIVE LEAK REPORTED AT B.A. PLANT

PY141941 Buenos Aires DYN in Spanish 1830 GMT 14 Aug 86

[Text] Buenos Aires, 14 Aug (DYN) -- A leak of highly toxic radioactive material, although in small amounts, occurred on 11 August at the Constituyentes Atomic Center, which is located on Constituyentes Avenue near General Paz Avenue in Buenos Aires Province, it was reported today by responsible sources.

The leak of the highly toxic "Ameriso" radioisotope occurred at noon on Monday, 11 August, at the "fuels" building fo the atomic center when several workers and technicians were at work, the sources added.

These people, whose number has not been specified, may have been contaminated by the leak. Because this radioactive material is very hard to detect, the officials of the National Nuclear Energy Commission [CNEA] did not learn about the leak until Tuesday, 12 August.

Only then were the appropriate security measures taken. Yet, the sources said that this leak does not seriously endanger the lives of the workers and technicians who were exposed to it.

Although no official statement has been released, CNEA sources have noted that the leak does not pose a threat to anyone.

Leak 'Under Complete Control'

PY142113 Buenos Aires TELAM in Spanish 2045 GMT 14 Aug 86

[Text] Buenos Aires, 14 Aug (TELAM) -- The leak of radioactive material, which occurred at the Constituyentes Atomic Center when technicians were handling a solution of "Ameriso" radioisotope, a transuranium artificial chemical element used in the manufacture of nuclear fuel, is under complete control. Rodolfo Touzet, one of the members of the agency charged with overseeing the safety of nuclear installations, downplayed the event, terming it a frequent operational incident that takes place when radioactive material is being handled.

HEALTH GROUP WANTS DENUCLEARIZATION OF FALKLANDS

PY131635 Buenos Aires Domestic Service in Spanish 0200 GMT 13 Aug 86

[Text] The Movement of Argentine Doctors and Health Professionals for the Prevention of Nuclear War [Movimiento Medico Argentino y Professionales de la Salud por la Prevencion de la Guerra Nuclear] has issued a communique on the occasion of the anniversary of the Reconquest [La Reconquista -- the recapture on 7 August 1806 of the city of Buenos Aires from the British]. It also requests the denuclearization of the islands as demanded to protect the life and health of Argentines.

SECOND IN COMMAND OF III ARMY CORPS RETIRES

PY032240 Buenos Aires BUENOS AIRES HERALD in English 2 Aug 86 p 11

[Text] (NA) -- Colonel Jorge Le Bretau, the second in command of the Cordoba-based III Army Corps, has been put on the retirement list at his own request, Army Command sources said yesterday. The sources said Le Bretau asked to be retired following the retirement of the former commander of the corps, General Ignacio Verdura, in the wake of the foiled attempt against President Raul Alfonsin last May.

ATTACK ON TANDIL TV REPEATER STATION REPORTED

PY051657 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1243 GMT 5 Aug 86

[Text] Mar del Plata, 5 Aug (NA) -- Officials of Tandil Television Channel 10 today reported that a group of unidentified individuals had attacked their repeater station. The repeater was seriously damaged, and its transmissions were temporarily interrupted. The attack occurred last weekend, but it was only reported yesterday.

The officials at Channel 10 said that the unidentified assailants used stones and metal instruments to break open the entrance door of the concrete and plaster building, which is located on the highest point of the Tandil Range. After breaking into the building, the attackers shot at walls, doors, and windows, destroying light bulbs and other objects. Then they broke open a second metal door secured by a security lock, and threw a heavy roll of wire against electronic equipment and lamps, causing serious damage.

They also interrupted the transmissions by pulling out the coaxial cable. This made the technicians aware that something was wrong, but thanks to their efforts the transmission was almost resumed immediately, although the work to restore the rest of the station is still continuing.

A judge in Dolores is investigating the case, which he has described as an "attack on the communications media with damage and theft."

OFFICIAL PROTEST LODGED WITH U.S. EMBASSY

PY141446 Santiago LA TERCERA DE LA HORA in Spanish 12 Aug 86 p 6

[Text] The Foreign Ministry has released a communique stating: "Chile will not allow any violation of its sovereignty in its territory and will act accordingly." The communique reports that Acting Foreign Minister Lieutenant General Sergio Covarrubias on 11 August conveyed to U.S. Ambassador Harry Barnes the Chilean Government's displeasure over the covert activities that U.S. intelligence has allegedly undertaken in Chile.

The communique reads: "1. On 11 August, Acting Foreign Minister Lt Gen Sergio Covarrubias Sanhueza met with U.S. Ambassador to Chile Harry Barnes.

"2. It is publicly known that in recent days the U.S. press has given wide coverage to the covert activities that the U.S. intelligence services have allegedly conducted in Chile to obtain secret information from Chilean institutions.

"3. The acting foreign minister voiced the Chilean Government's displeasure over the press reports on the alleged activities, which violate international law and diplomatic rules, and asked the ambassador to furnish him with all the available information on the investigations being conducted in the United States. The U.S. ambassador was also told that the Chilean Government will not allow any violation of its soveriegnty in its territory and will act accordingly."

RELEASE OF USSR FLEET DOCUMENTARY DENIED

PY141914 Paris AFP in Spanish 1756 GMT 14 Aug 86

[Text] Santiago, 14 Aug (AFP) -- The Chilean Foreign Ministry has denied having delivered to Peruvian television stations a documentary on alleged espionage activities by Soviet fishing trawlers in the Pacific Ocean. A 6-minute documentary that was recently broadcast by Lima television stations explains that the Soviet ships are equipped for electronic war.

The film clips broadcast coincided with the Chilean Government's charges that Soviet agents helped to unload the arsenal discovered a week ago in northern Chile. The Foreign Ministry's department for bilateral policy has said that the Chilean authorities have not supplied any documentary on the Soviet fishing boats to Peruvian television stations.

In a report published by the newspaper ULTIMAS NOTICIAS, a senior Foreign Ministry official said that every week the Social Communications Directorate (Dinacos) sends selected audiovisual material to Chilean Embassies. However, he said no special material had been sent to Peru for dissemination.

DINACOS ANNOUNCES NEW ARMS CACHE DISCOVERY

PY141842 Santiago Domestic Service in Spanish 1700 GMT 14 Aug 86

[Text] Dinacos [Social Communications Directorate] has released another official communique reporting that a new arms cache has been found in the 3d Region. The communique says:

During investigations being conducted to establish all the details and connections with the terrorist arsenals discovered in the 3d Region, new arms caches have been found in Palo Negro and (Wasco Bajo). The findings include 641 M-16 automatic rifles, which so far brings the total to 1,045 rifles. The communique says that 150,000 rounds of rifle ammunition and 25 Soviet-made rocket launchers were also found.

The communique adds that more detailed information will be given on the investigation into this terrorist operation, which has confirmed once again the government's charges of permanent aggression by international subversion. This is the communique released by Dinacos on the latest arms discovery in the 3d Region.

PINOCHET SAYS GOVERNMENT WILL STRONGER THAN EVER

PY150259 Santiago Domestic Service in Spanish 2300 GMT 13 Aug 86

[Text] President Pinochet today said the government's will is stronger than ever. We will not give up, the chief of state said, the right to seek a future for a regime born from the heart and support of the people. President Pinochet spoke at the end of a luncheon, which a group of former under secretaries of the administration hosted at the Union Club. In his speech, Pinochet said that some sectors seek only the failure of the government.

[Begin Pinochet recording] Much has been said lately about the regime's future. What is happening gentlemen? The only thing they want is the failure of the government. They cannot accept the consolidation of the Constitution. That is why I say they are wrong. These gentlemen must know our will is stronger than ever. Those who are doubtful or fearful must listen well: We will not give up the legitimate right and responsibility of seeking a future for a regime born from the heart and support of the people. [end recording]

The chief of state added that Chile and its future are more important than party interests. He urged the former under secretaries to favor the unity of all sectors to ensure the effective validity of freedom in Chile. He insisted that in order to consolidate past accomplishments, decisiveness and patriotic spirit are needed.

[Begin recording] The place one works or the post from which one contributes to our task is irrelevant. What is really important is to be aware that we are the ones who must assume a vanguard position in order not to give way to those responsible for the class struggle, politization, and poverty. When the men in whom the nation has entrusted its present and future are not willing to make sacrifices, use their talent, experience, and energy for the sake of progress, then the force and inspiration necessary for progress is lost. [end recording]

In conclusion, Gen Pinochet said giving up the future planned by the government would mean abandoning the commitment and principles of the current regime's ideology.

JUDGE ORDERS ARRESTS AFTER DISAPPEARANCES

PY150234 Santiago Radio Chilena in Spanish 2300 GMT 14 Aug 86

[Text] Judge Carlos Cerda has ordered the arrest of 41 people allegedly involved in the arrest and disappearance of 10 Communist leaders. Former government Junta member and Chilean Air Force [FACh] General Gustavo Leigh Guzman, Carabineros Mayor Julio (Benileni), and FACh Colonel Edgar Zeballos are wanted along with: 15 FACh officers, 13 Carabineros members, 2 Chilean Navy members, 5 Chilean Investigation Police members, and 3 civilians.

GOVERNMENT FORCES PREPARE FOR MIR ATTACKS

PY142356 Paris AFP in Spanish 1719 GMT 14 Aug 86

[Excerpt] Santiago, 14 Aug (AFP) -- Police sources in Santiago today reported that Chilean Government security forces have strengthened surveillance to face an alleged wave of guerrilla sabotage actions and attacks against barracks.

The Movement of the Revolutionary Left (MIR), which is waging an armed struggle against the military regime of President Augusto Pinochet, today celebrates its 21st anniversary. MIR spokesmen have announced that this date will mark the beginning of an offensive by the MIR. [passage omitted]

'MIR' Attack Injures Driver

PY142157 Santiago Domestic Service in Spanish 1700 GMT 14 Aug 86

[Excerpts] A new extremist attack this morning mobilized the press. Extremists left a fatal trap on Santa Rosa Avenue where a bomb explosion injured a worker. Another bomb was deactivated. Extremists left the trap at the corner of Santa Rosa Avenue and Carmen Mena Street, placing three bombs inside boxes. The objective of the attack was to injure passersby and also policemen who would be lured by the booby trap.

The incident occurred at 0910 as a delivery wagon, was passing by, driven by Luis Alberto Perez. The boxes were placed in the middle of the eastern lane of Santa Rosa Avenue. Several drivers avoided the boxes, because a banner containing slogans marking the occasion of the anniversary of the outlawed MIR [Movement of the Revolutionary Left] were at the site. Apparently, Perez drove over the boxes which then exploded destroying the delivery truck. [passage omitted]

Perez was taken to the Barros Luco emergency room where he was treated. A little after 1100, a Carabineros officer from the Carabineros South precinct told reporters that Perez was in guarded condition, with a contusion on his head.

The officer also noted that Perez was suffering from a temporary loss of hearing but added this was gradually dissipating and his injuries were not believed to be too serious.

A police spokesman said that the plastic bomb weighed approximately 1.8 kg. Police did not disclose the amount of explosive used in the other bomb which was set up as a trap for the BOPE [not further identified] Carabineros squad.

Rebels Break Into Radio Station

PY150203 Santiago Domestic Service in Spanish 2300 GMT 14 Aug 86

[Relay from Radio RSN of Valparaiso]

[Text] Three armed individuals belonging to the Movement of the Revolutionary Left [MIR] broke into the studios of radio Station Pocochay FM in Quillota and broadcast antigovernment slogans.

The criminals entered the radio station, located at the interesection of Maipu and Freire Streets in Quillota and threatened several radio employees at gunpoint. The terrorists forced the employees to lie on the floor, tied their hands with wire, cut the telephone lines, and broadcast two cassettes with subversive slogans. Police are now searching for the terrorists.

1 INJURED, BUILDINGS BURNED IN BOMBINGS

PY142003 Paris AFP in Spanish 1657 GMT 14 Aug 86

[Text] Santiago, 14 August (AFP) -- The Chilean Police have reported one person injured today by the explosion of a dynamite charge hidden inside a station wagon. Apparently, the injured person, a 30-year old worker, was inside the moving vehicle. The explosion occurred in a highly-populated neighborhood of San Miguel in southern Santiago.

Yesterday, bombs thrown by unidentified individuals caused fires in five shops in Santiago and Talca, a government office in Vina del Mar, and two public buses in Vina del Mar and Santiago.

DEMOCRATIC ALLIANCE ANNOUNCES POLITICAL PROPOSAL

PY141604 Santiago Radio Chilena in Spanish 2300 GMT 13 Aug 86

The Democratic Alliance [AD] this afternoon issued a political proposal to the Armed Forces, the citizenry, and all political organizations, except for the Movement of the Revolutionary Left [MIR].

The document was made public by AD leader Enrique Silva Cimma. The AD proposes that, given our country's serious anguish and crisis which is being worsened by an escalation of violence and horrible crimes connected to the regime, the application of peaceful social pressure by the Chilean people is the only way to attain a fast and peaceful solution.

This solution must be negotiated jointly with the Armed Forces and the Carabineros. The AD considers that the only way by which we will attain this objective is by expressing our national sovereignty as proposed by the National Accord and the National Civic Assembly [ANC]

The AD proposes to immediately put into practice the urgent measures proposed by the National Accord for the Transition to Full Democracy. The citizenry, the Armed Forces, and the Carabineros must agree the real transition toward democracy will require the exercising of popular sovereignty, that is, the right to cast a universal, direct, personal, free, secret, and informed vote to elect the president of the republic and members of Congress who will have constituent, legislative, and auditing responsibility, together with the municipal authorities.

[Begin Silva Cimma recording, in progress]... and in order to comply with these objectives, a plebiscite must be held according to the measures explained in the National Accord. Therefore, in order to hold an honest plebiscite, the electoral procedures must be guaranteed. Once the plebiscite has been held and the proposals are approved, the transition process to democracy must start. To attain this, the Armed Forces, the Carabineros, and the citizenry must agree on the measures and on the people or peoples that will guarantee the implementation of this process so as to comply with the objectives proposed within a pre-established time table as soon as possible. [end recording]

Silva Cimma said that the AD has already sent this proposal to all the national political sectors except for the MIR.

MDP Accepts Some Aspects

PY141640 Santiago Radio Chilena in Spanish 2300 GMT 13 Aug 86

[Text] The Popular Democratic Movement [MDP] this afternoon announced it has accepted parts of the political proposal released by the Democratic Alliance. During a press conference MDP leader German Correa indicated important agreements to find a solution to the crisis affecting the country have been reached by the opposition political forces.

[Begin Correa recording] The Chilean opposition agrees:

A. There can be no democratic solution so long as Pinochet remains in power, because he is the main obstacle preventing the return of democracy to the country.

B. The process for the transition to democracy must be headed by a widely accepted individual offering guarantees and he must have the support of the civilian and military democratic sectors.

C. The transition process must be based on the holding of general elections as soon as possible so the people can elect their leaders and a new institutionality to govern the country. [end recording]

In answer to a question that the agreements contradict the attitude of the MIR [Movement of the Revolutionary Left] expressed by Pascal Allende, German Correa indicated that every party or movement of the MDP is autonomous.

Abeliuk on Response

PY150116 Santiago Radio Chilena in Spanish 1700 GMT 14 Aug 86

[Text] Social Democratic Party President Rene Abeliuk has noted that the MDP answer to the Democratic Alliance [AD] proposals has some positive points. However, he said he is concerned over the fact that MDP lacks a clear and specific position regarding violence.

It must be noted that yesterday the AD submitted a political proposal aimed at overcoming the serious crisis the country is experiencing. This proposal calls for the enforcement of the immediate measures included in the National Accord for the transition to full democracy. Later, during a press conference, the MDP accepted this proposal.

Asked about the MDP's answer, Rene Abeliuk noted that it has some positive points.

[Begin Abeliuk recording] Obviously, we do not hold the same position, but there is a certain rapprochement which is undoubtedly something positive.

What I am really concerned about regarding the MDP -- as we have already noted in our answer to their letter -- is that beyond the support of a proposal, we have to resolve the strategy issue, which is far more important than the proposal itself. We can have many proposals, but the interesting thing is to establish the formula through which this proposal can be implemented. [end recording]

Abeliuk added that in all this there is a fundamental strategic difference that must be resolved. He noted that we believe that violence is condemnable not only for what it represents, but because it serves the regime's plans.

[Begin Abeliuk recording] The way the government is taking advantage of what happened in the North and regarding the MIR statement shows us how the MDP, which does not have a definitive position regarding violence, plays into the government's hands.

We are asking the MDP -- and this is something it should do if it truly wants to contribute to the return of democracy in Chile -- to uphold a clear and categorical position against violence and to repudiate it because, in addition to what we have already noted, it is quite useful for the regime's intentions. [end recording]

Rene Abeliuk reasserted that he hopes the MDP will define its position regarding the violence issue.

SOCIALIST CONDEMNS 'MILITARY STRUGGLE'

PY150127 Madrid EFE in Spanish 2155 GMT 13 Aug 86

[Text] Santiago, 13 Aug (EFE) -- Manuel Almeyda, secretary general of the "orthodox" Socialist Party who is currently underground, today condemned the "military struggle" seeking to bring down the regime of General Augusto Pinochet.

In a statement to EFE, Almeyda, who went underground late in 1984 after being sentenced to 200 days of imprisonment for participating in antigovernment demonstrations, said that his party "does not support the idea that the military struggle is fundamentally important to the strategy against the dictatorship." Almeyda rejected outright the declarations made recently by Andres Pascal Allende, top leader of the Movement of the Revolutionary Left (MIR) which is allied with Almeydist socialism in the Popular Democratic Movement (MDP).

Manuel Almeyda, brother of former Popular Unity minister and Socialist Party ideologist, Clodomiro Almeyda, said the military struggle "does not lead to popular rebellion," and he added such a thing "would make the anti-dictatorship struggle more vulnerable to the dictatorship which would then be able to strike out at the popular movement." Almeyda said he favored "the struggle of the masses in a broad, united, sustained, and progressive manner, with the hope that a democratic national upheaval will lead to the defeat of the dictatorship."

The Socialist Party, Almeyda said, "decidedly supports civil disobedience and the people's demands as expressed by the National Civic Assembly with the purpose of holding a national and indefinite stoppage of activities to make the country ungovernable for the dictatorship."

The so-called hardline Socialists think it is important to reach an understanding with the rest of the parties and force because "we have always thought that to oust the regime is a task for all democrats and to attain this, a social and political understanding is needed without excluding anyone." Almeyda said that "given these circumstances we believe it is very important that we reach a consensus that will provide answers to the demand for democracy of large sectors of the opposition."

Regarding the Armed Forces' role in the stage of transition, Almeyda said: "As long as the Armed Forces continue supporting and obeying Pinochet, there is no possibility of reaching an agreement with them at all." If the criminal irresponsibility -- he added -- of the ruling circle denies a solution to the crisis, the Armed Forces will have to choose between supporting a repudiated gang without any political or moral support, or taking the necessary steps to contribute to establishing peace, justice, and democracy."

After explaining the need for "a greater democratic understanding," Almeyda promised to "make the greatest effort in stepping up the social struggle to seek agreements with all democrats to find a solution that will represent the will of the majority." The socialist leader said: The Armed Forces support for the people's struggle is indispensalbe. Therefore, there should be a campaign to tell them about the patriotic role they could be playing alongside the people."

Almeyda also called on the Catholic Church, "which has approved the people's struggle for democracy to help with its moral prestige to make progress toward conquering peace and democracy."

RIGHTIST GROUP LINKED TO ANTICHURCH SLOGANS

PY131656 Madrid EFE in Spanish 1519 GMT 12 Aug 86

[Text] Santiago, 12 Aug (EFE) — Temuco Bishop Msgr Sergio Contreras today filed a misdemeanor suit against three people, two of ultrarightist militants, for "outrages and damage to property."

Edgardo Barrenechea, Armin Seeman, and Fernando Varela were caught by surprise by a Carabinero last Friday. They were painting anti-Catholic Church slogans on one of the walls of the Temuco Cathedral, 700 km south of Santiago. When they were surprised, they tried to escape, but the Carabinero used his weapon, injuring one of Barrenechea's feet.

"National Progressive Movement" [Movimiento de Avanzada Nacional - MAN] leaders have admitted that Barrenechea is a regional MAN leader but denied he was painting slogans on the cathedral's walls.

Boris Camus, from the "Nacional Progressive Movement of Temuco" [Avanzada Nacional de Temuco — ANT] has stated that ANT militants were near the cathedral to face a left-wing group that was painting slogans, "and this is why they were armed."

Police reports state the three individuals were armed and were out on bail while waiting for the report on their arms registration to be issued by the military barracks.

Slogans against the Catholic Church, signed by the "Chilean Anti-Communist Group" [Agrupacion Chilena Anticommunista — ACHA], have been painted on several churches in Temuco and other Chilean cities, including Santiago.

GOVERNMENT MAKES $35-MILLION PAYMENT TO IMF

PY141521 Lima Panamericana Television Network in Spanish 0300 GMT 14 Aug 86

[Text] Central Bank President Leonel Figueroa today announced that the government has paid $35 million to the IMF as partial payment on the $180-million obligation that will fall due on 15 August. The IMF reaction is not yet known.

[Begin Figueroa recording] We believe that paying nearly $200 million to the IMF for a debt which has matured will hurt our effort to maintain and improve the economic gains that the country has achieved. Despite adverse circumstances, Peru has made the significant effort of paying $35 million on our total obligations, and is promising to make greater efforts to make future payments within its capabilities. In view of this situation, Peru hopes that the IMF, in a gesture of understanding, will accept this partial payment and allow a longer term than was originally established for Peru to fulfill its obligations, because their fulfillment at this time would be burdensome for the country. Peru has requested that the IMF make an exception and allow payments on its matured debt to be made in its own currency. [end recording]

STATE ENTERPRISES SUSPEND FOREIGN PURCHASES

PY141833 Paris AFP in Spanish 1442 GMT 14 Aug 86

[Text] Lima, 14 Aug (AFPO -- The recently created Superior Council for Goods Acquisition (COSAB) has in the past 2 months prevented 19 million inties ($1.4 million) from flowing out of the country by vetoing purchases abroad by the state enterprises that include Petroperu [State Petroleum Agency], Siderperu [Peruvian State Iron and Steel Enterprise], and others. COSAB President Milton Guerrero said that the measure was necessary to prevent the loss of hard currency and to protect domestic industry by ensuring, as much as possible, the purchase of national goods and services.

CONDITIONS GIVEN FOR RECALL OF AMBASSADOR TO GDR

PY141511 Lima Panamericana Television Network in Spanish 0300 GMT 14 Aug 86

[Text] Foreign Minister Allan Wagner today stated that the Peruvian ambassador to the GDR will be withdrawn if the precise information which has been requested by Peru in the case of the Danish ship Pia Vesta is not received. Wagner explained that the recall of Peruvian Ambassador Walter Stubbs for consultation does not necessarily mean the breaking of diplomatic relations.

A GDR Embassy spokesman has said that the Peruvian Foreign Ministry opinion on this issue will be respected and that there will be no statement from that embassy for the time being. With regard to the possibility of breaking relations, Foreign Minister Allan Wagner indicated that this is a decision that has to be made by the Peruvian Government at the appropriate time following the evaluation of various elements and reactions.

FLORES DENIES SMUGGLED ARMS DESTINED FOR ARMY

PY142054 Paris AFP in Spanish 1731 GMT 14 Aug 86

[Text] Lima, 14 Aug (AFP) -- War Minister General Jorge Flores Torres today denied that an arms shipment seized from the Danish ship Pia Vesta in Panama had been consigned to the Peruvian Army.

During a radio interview, Gen Flores called untrue some statements made by arms dealer David Duncan in the United States to the newspaper THE MIAMI HERALD.

The war minister said that he is willing to appear before the national congress to make a report giving all the assurances that the Army has nothing to do with this deal.

Some press reports in Lima have attributed to Duncan statements suggesting that the arms loaded in early May in Rostock, East Germany, comprising 32 trucks, 1,500 FAL rifles, and 1,500 Soviet-made rockets, have also reportedly been consigned to the Peruvian Navy. Thus far the Navy has not made any comments on the reports involving it in this deal.

Foreign Minister Allan Wagner yesterday stated that before it was intercepted in Panama, as a result of a Peruvian report, the Pia Vesta sailed Peruvian territorial waters in early June but did not unload any type of arms in Peru. The Peruvian Government lodged a complaint with the GDR Government, but regarding as unsatisfactory the explanations received 2 days ago it decided to temporarily recall its ambassador to that country, Ricardo Walter Stubbs Vega.

PRESIDENT DISCUSSES PROBLEMS, ACCOMPLISHMENTS

PY140315 Buenos Aires TIEMPO ARGENTINO in Spanish 10 Aug 86 p 10, 11

["Exclusive" interview with President Alan Garcia by Maria Oliva in Lima; date not given]

[Text] [Oliva] Mr President, U.S. troops are carrying out an intense operation in Bolivia to combat drug trafficking. Will your government permit a similar action to be carried out in Peruvian territory?

[Garcia] Peruvian police and the Armed Forces are capable of dealing with drug trafficking and any other issue that arises in the country.

[Oliva] Do you believe that Peru has sufficient resources with which to confront and control the drug trafficking problem?

[Garcia] Yes, I do, and what is more important we have the necessary will to resolve the problem by ourselves.

[Oliva] Bolivian opposition leaders and even members of Paz Estenssoro's party have requested his impeachment, arguing that the government has allowed "a serious violation of the nation's sovereignty." What is your position in this regard?

[Garcia] Since the Bolivian Government itself requested the intervention of U.S. forces, this cannot be interpreted as a serious violation of the nation's sovereignty. Drug trafficking, particularly the production of drugs, is an issue of concern for several Latin American countries including Bolivia, Peru and Colombia. I believe that the interesting thing would be for these countries to coordinate their operations, strategies, and actions and to grant themselves mutual support before requesting the intervention of U.S. troops. The U.S., instead of being worried about drug production, should first be concerned about the drug consumption problem which is the origin of this whole drama that affects Latin America and the entire hemisphere. Not until the United States restricts, limits, or enforces punishment for drug consumption in keeping with the principles it preaches will drug production also decrease.

[Oliva] In March you visited Argentina, where you had the chance not only to meet with President Alfonsin, but also with Argentine opposition leaders and union leaders. What was the result of this trip?

[Garcia] Argentine democracy is a moral and material good that must be preserved, protected and strengthened, and I also believe that the government of President Alfonsin has taken many fundamental steps to deserve the support of all citizens. I found that we share very important points of view both at the Latin American level, and with regard to the foreign debt, development, and social reorganization. I share similar points of view regarding democracy in Argentina. I believe I learned a lot on this trip and I saw with great satisfaction that democracy is being strenthened in Argentina.

[Oliva] During your stay in Buenos Aires you said that your country would break relations with the power that decides to invade Nicaragua. The U.S. House of Representatives has already approved $100 million to aid those who are against the Sandinist government. This is not a direct invasion, but it is close. What is your opinion about this?

[Garcia] What I said still stands, and I reassert our point of view. However, this does not mean that we support or identify ourselves with domestic policy errors or specific ideologies upheld by the Nicaraguan Government. No domestic policy errors can, however, justify foreign interference, much less intervention that comes from outside Latin American borders. I always thought that at the time of the British aggression against Argentina, the Peruvian Government should have adopted forceful decisions regarding its relations with Great Britain, because I interpreted this aggression as an aggression against Latin America in general and because, as I have already said, I believe that no ideological error, and no domestic policy error, justifies foreign intervention or the arbitary assumption of power over this continent by some great power.

[Oliva] Would you consider the granting of $100 million to the contras as intervention?

[Garcia] We cannot yet describe it as direct intervention. What the Nicaraguan Government has constantly denounced is the wish of the United States to send troops, and this is what we would reject. The decision of the U.S. Government and of the U.S. Congress -- which I believe is a serious historic and political mistake -- to grant $100 million to the contras can be rejected and combatted through other means, one of them would be the Contadora Group and the Contadora Support Group.

[Oliva] Some believe that Nicaragua's intransigence and the biased pro-U.S. attitude adopted by some Central American Governments have contributed to the failure of the Contadora peace agreement. As a member of the Contadora Support Group, tell me what the next steps will be.

[Garcia] The first thing is to be patient and to understand that what was not achievable in the past may be achieved later. The fact that there has not been an escalation of violence is already a victory for the Contadora Group. I believe this is the first time that Latin Americans have conscientiously adopted a joint position. If the Contadora Group fails, the possibility of achieving any future joint position regarding the foreign debt, which is also the great historic mortgage hanging over Latin America, will also fail.

[Oliva] Argentina and Brazil have just signed an economic integration agreement. Does Peru plan to implement a similiar integration plan?

[Garcia] We greet with historic expectation the Argentine-Brazilian agreement and the initiatives that had been taken previously between Argentina and Uruguay because these constitute a qualitative step in a continent that is divided. We have not achieved any bilateral agreements yet, but we do not reject the possibility that we may seek them. You must understand that the first step that Peru has to take with respect to the neighboring countries is to remove mistrust and historic rivalries which do not make any sense at the ned of the 20th century. The second step must be to strengthen our economic relations. However, I think the Brazilian-Argentine example is very important. Neither development, justice, nor the national existence of Latin America can occur without integration; anti-imperialism cannot exist without integration, nor can democracy exist without anti-imperialism in Latin America.

[Oliva] A report made public in Argentina, datelined Washington, states that Pentagon sources have announced the future fall of your government, mentioning also the difficult relations you have with the Armed Forces. What does this type of statement mean to you? Would you consider them as an interference in the internal affairs of your country?

[Garcia] In the first place, press releases often purport to contain first-hand news that is nothing but a series of hypotheses which are not true and which do not have a real source. Political experience has taught me not to take these references into account, as long as they do not originate directly at the source. I think the need to create news is sometimes harmful because it generates this type of problem, and a responsible person would know better than to answer reports of unknown origin or which lack truth and are not accurate. Regarding the hypothesis that has been formulated, I believe that it is absolutely negative -- and I would say absurd -- in the case of a country like Peru, where the government was elected by a large majority and is supported by an ever-growing majority. Who would not want the Peruvian Government to remain firm in this difficult situation, responding, according to some, in a strong and audacious way to the problem of the foreign debt, or claiming solidarity with the wrong people -- in the case of Nicaragua -- as others say? Who would be interested in silencing the voice? Who does not agree with the present circumstances? Those who enjoy these circumstances?

[Oliva] The most radical left accuses your government of fostering what they call a growing militarization of the country.

[Garcia] We learn a lot about Peru through the Argentine experience. I know that some people would say that General Velasco "wants to do something like Peron did." "The fact that there are bombings and armed groups and assassinations of mayors, of governors in each town of the country, forces us to use the Civil Guard or the Army to patrol and to restrict the movements of the subversives. They call that militarization. How do you fight armed people? With arms. You fight a problem that has historical roots with a historic plan, but armed actions and crime must be fought with arms, within the framework of the law and trying to avoid outrages like the ones that occurred at the prison. And when the police have neither sufficient personnel nor enough mobility, we are not going to ask the U.S. police to come down, we have to use the Peruvian Army, under the government's orders.

You cannot call that militarization. That happens when the armed forces assume power, when the president is pushed aside, and this is not the case. I am responsible for guaranteeing the transformation, and the independence, of the Peruvian people, as well as for enforcing security and order. I am not afraid to say that if for that reason it is necessary to use arms, then we must use them. Of course, those who interpret the nation's current situation by viewing it in the light of what happened in other countries use this attitude to claim that the Armed Forces are gradually increasing their influence. The same people could claim the same of the police. We have a clear notion of the manner in which the armed actions should be carried out and we believe in punishing those who overstep their authority in this armed struggle. We are not going to cover up for any crime nor justify it. However, we are no going to allow the country to become a circus, in which the subversives parade around and carry out their crimes free and unpunished, just to avoid making any mistakes. Therefore, if the Armed Forces get involved in these cases they will do so on the strength of their constitutional guidelines. As in any other country, the president of the nation is also the supreme commander of the Armed Forces, and it is up to him to decide how these forces should be used. The president is elected by the people, so when the Armed Forces intervene in a given situation they do so in compliance with the people's wishes.

[Oliva] What is the main self-criticism you can make after 1 year in government?

[Garcia] First, I feel unfulfilled, powerless, because I have not been able to infuse into the entire state apparatus the historic desire to do something. The people understand that there is a great difference between the President's ideological fervor and the bureaucrats. The bureaucrat feels that his work is a way to earn a living and that the president will change in a few years. What makes me despair the most is the knowledge that bribes are still being taken. No one knows who is taking them, but they are obviously being taken. They continue to live on in the house, even though the house has changed owners. They are still around. This is a terrible sensation because it is impossible to determine where they are or how it is being done. This is an acknowledgement of reality, a compromise with the hypocrisy of the spirit.

The state is not alone in this. The common citizen continues to view the history of Peru as something alien to him. History stops at the door of this house, nothing outside the house belongs to him.

This passive and indifferent attitude shows that the people feel that they own nothing, as has been the case throughout their history.

I could do nothing about that passivity and indifference, but I did manage to raise expectations, hope, and faith. However, no one has yet realized that we are on the battlefront, that this could be the last day. I am not a doomsayer, but the truth is that noone has yet realized this. My speeches elicit ovations, and many do understand the meaning that they try to convey, but they do not fully comprehend the anxiety of a soldier in combat who knows that his own life depends on his own efforts. On the other hand, there are things that are very positive. An important part of the people perceives the problem, senses it, realizes it, and gives its support. There is an important part of the population that understands the need for patience. There is also the intellectual bourgeoisie who preach impatience, intolerance, and despair.

They are the ones who say that we must move fast, and the sooner the better. I told them in my speech to Congress that when I hear the cries of impatience, I also hear the silence of those who have historically remained tolerant.

Then, suddenly, one realizes that with all the effort one can muster, one can push history one centimeter forward, but that history, left alone, will continue to move just the same. Do you understand the idea?

[Oliva] Do you feel that you are alone?

[Garcia] All presidents, no matter what their thinking, feel alone, just because they are presidents. But I have by my side my party, my ideology, and my people, with whom I have a close relationship. But here, in this not too attractive office, I have to make the most momentous decisions alone. This is the loneliness of power. During the first months of my government, I spoke to the people from the balcony once a week or once every 2 weeks. Recently, however, we have a very particular situation in Lima. A politician must not become a bureaucrat. A leader cannot turn into a bureaucrat. I cannot resign myself to this.

[Oliva] What would you be if you were not a president?

[Garcia] A presidential hopeful! Well, that is just a joke. I would have been a politician, working in my party, saying and doing things, promoting something. Politics calls for creativity, just like the arts of music or painting, for instance. The problem is that just as a composer can run out of inspiration for long periods of time, a politician can cease to communicate with the people for long periods of time.

[Oliva] What is your most important project for this year?

[Garcia] To decentralize Peru. From here we control every door or window that opens and closes, even in the most remote province from Lima. This is absurd! The country's political administration must be decentralized. It should be stripped of operational and routine obligations, which must be left to the local population. We now have to sign resolutions, decide whether to pen a road, decide when the local population should be thinking about things. I am sure that decentralization will help to form local governments -- like the ones you have in Argentina -- that will have more power because they will have been elected by the people. These local governemnts, in addition to being closer, form centers in which to air the complaints of the local people and will mobilize the will to participate to a greater extent.

[Oliva] How do you see yourself?

[Garcia] I see myself as a warrior for the independence of America and for social justice.

OIL MINISTER VIEWS RESULTS OF OPEC MEETING

PA141517 Caracas Television Service in Spanish 0000 GMT 13 Aug 86

[Report by Carlos Fernandez]

[Text] Energy and Mines Minister Arturo Hernandez Grisanti held a news conference today in which he summarized the recent decisions adopted by the OPEC in Geneva. He also gave an overview on the effects of those agreements.

In this sense, Minister Grisanti said that basically tactical emergency measures were agreed to at the meeting, and these measures have eased the tension within the OPEC. He stressed that the favorable effects of the measures will depend on their strict compliance and on the commitment of non-OPEC producers.

After summarizing the results of the Geneva meeting, Hernandez Grisanti referred to the effect of these actions in our country, and indeed he was cautiously optimistic. He said that Venezuela's daily production had to be adjusted based on the OPEC's recent decisions and Venezuala's sustained average to 3 August of this year. The actual reduction will be 6,000 barrels per day, bringing the yearly production to 1,586,000 barrels per day.

Minister Hernandez Grisanti was extremely cautious regarding prices. He said that Venezuela's average price was $14 per barrel to July of this year, adding that the situation could change favorably, in which case the prices will be adequately increased. Moreover, if the OPEC agreements are respected and prices recover by the end of the year, the situation would be even more encouraging.

[Begin Hernandez Grisanti recording] For the time beign, we must try to recover the market. I do believe that if the OPEC decisions are observed, the prices should increase to approximately $17-$18 in October and November. [end recording]

The situation will be defined on 6 October at an OPEC meeting. According to Hernandez Grisanti, if the recent agreements are not kept, the special meeting would have to be held earlier.

BRIEFS

STEEL PRODUCTION INCREASING -- For the first time in many years, the Orinoco Iron and Steelworks, SIDOR, has become a profitable company. Not only has it increased its national production, but it also has exported some of its products. SIDOR President Carlos Mendoza noted that the company has been developing new products that have substituted for previously imported products and provided better service to national customers. He added that SIDOR produces between $200 and $250 million; this would be the equivalent in foreign exchange of its exports. [Summary] [Caracas Television Service in Spanish 1600 GMT 13 Aug 86 PA]

DE LA MADRID HIGHLIGHTS TALKS WITH REAGAN

FL140154 Mexico City NOTIMEX in Spanish 2317 GMT 12 Aug 86

["Text" of Mexican President Miguel de la Madrid's speech delivered after meeting with President Reagan at the White House on 12 August; place not given]

[Text] Ladies and Gentlemen; First of all, I thank President Reagan for his cordial invitation to this working meeting in Washington. It has been a timely and fruitful meeting because it has brought positive results since we have discussed frankly and thoroughly various matters that both presidents consider of utmost importance for the good understanding in U.S.-Mexican relations.

President Reagan and I agreed to give priority attention to bilateral matters. We were happy to note that this year there have been positive advances and agreements on various economic matters and in border cooperation affairs. We agreed that these progresses need to be underscored.

We have agreed that from now on our government will make extra efforts to improve the atmosphere of our relations. This is an essential condition to facilitate and broaden bilateral cooperation which benefit the two countries.

Today I have confirmed with satisfaction President Reagan's strong will to encourage the development of relations marked by a positive sign between the United States and Mexico.

With this spirit, we have talked about various matters that greatly concern the two governments and, in general, the two countries. Allow me to briefly highlight them.

First, we thoroughly discussed various aspects of financial and trade relations, including the Mexican Government's recent negotiations with international financial organizations -- mainly the IMF -- which have been successful inasmuch as they allow, new, more realistic and flexible terms in dealing with the foreign debt problem. I acknowledge that the U.S. Government -- in a notable effort -- played a useful role in such negotiations, which we appreciate very much.

It is our aim that Mexico achieve sustained economic growth and build an essential foundation to restructure and modernize its economy, maintain the social progress which has been an important factor in the country's long political stability, and widen the capabilities of fulfilling its international financial commitments.

The solution to the foreign debt problem is related to the need for greater financing for development of better foreign trade conditions. Mexico wants to implement a solid foundation of non-oil exports in areas where it has a competitive edge.

We want trade ties between the two countries to develop within the framework of equality, taking into consideration the degree of development of the two economies as well as total conditions of nondiscrimination and absolute nonreciprocity, which should be the foundation of better trade relations.

Both presidents have given instructions for immediate talks to achieve a wide bilateral agreement on trade and other matters. Its contents will be defined by our respective negotiations in the next few months.

President Reagan and I also exchanged ideas on the problems the illegal Mexican workers face in the United States. The problem is a result of structural economic problems of the two economies, and, most certainly, migratory flows will decrease as the Mexican economy improves.

I would also like to refer to a very important topic President Reagan and I discussed. It was a very important part of our talks: the war against drug trafficking. The Mexican Government maintains that international cooperation is needed to deal efficiently with the serious drug smuggling problem. We agreed it is absolutely necessary to attack with great determination all the links of the criminal chain, that is, production, distribution, and consumption.

I have told President Reagan about the importance we give to the campaign started by the U.S. Government to combat the distribution and consumption of drugs in the United States. We will continue to strengthen cooperation between the two governments in order to combat this cancer of modern humankind.

I believe that, as President Reagan has said, this conversation has been particularly satisfactory. It is one more evidence of our strong and loyal friendship which unite our peoples. We can benefit much from a cordial, honorable, and mutually beneficial friendship.

I am very grateful to President Reagan and his aides for the warm hospitality they have shown us.

Finally, I again want to express the appreciation of the people and Government of Mexico for the help and cooperation given to us after last September's earthquakes. Especially Nancy Reagan's warm presence in Mexico during those days of grief.

Tuna Embargo Lifted

PA150353 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 14 Aug 86

[By Alfonso Gomez]

[Excerpts] The United States has agreed to lift the tuna embargo which suspended the importation of Mexican tuna to U.S. markets. [passage omitted] Today Mexico's tuna fishing fleet includes 110 boats with an annual catch of 110,000 tons. As a result of President Miguel de la Madrid's visit to the United States, Mexican tuna will again be exported to U.S. market.

Returns to Mexico City

PA150047 Hamburg DPA in Spanish 0023 GMT 14 Aug 86

[Text] Mexico City, 14 Aug (DPA) -- Mexican President Miguel de la Madrid arrived this afternoon in Mexico after a 2-day visit to the United States. President De la Madrid left on Tuesday for Washington on an official visit to meet with U.S. President Ronald Reagan. The issues they discussed were mainly drug trafficking and Mexico's economic crisis.

According to the Mexican news agency, NOTIMEX, President De la Madrid was met at Mexico City's International Airport by members of his Cabinet and the PRI.

NICARAGUA TO RECEIVE PREFERENTIAL TRADE TREATMENT

FL140321 Mexico City NOTIMEX in Spanish 2343 GMT 13 Aug 86

[Excerpts] Managua, 13 Aug (NOTIMEX) -- Mexico and Nicaragua today signed a preferential treatment trade agreement which will allow the export of non-traditional goods with favorable tariffs.

Nicaraguan trade deputy minister Orlando Solorzano said that with this new preferential treatment agreement trade tariffs will decrease by 75 percent favoring Nicaraguan goods. [passage omitted]

PRI PROTESTS PAN TIES WITH U.S. GOVERNMENT

PA142320 Mexico City XEW Television Network in Spanish 1300 GMT 14 Aug 86

[Text] Some 4,000 PRI members have held a demonstration at the plaza of the Legislative Palace, in front of the Congress building. The demonstration was against the National Action Party [PAN]. During the meeting, the PRI demonstrators requested that PAN's [National Action Party] registration as a political party be withdrawn due to the alliances it has established with the U.S. Government and the U.S. Senate.

The charges against the PAN were made by PRI Federal District leaders Jesus Salazar Toledano and Manuel Osante Lopez. They said that the PAN has tried to sabotage the meeting of Presidents Miguel de la Madrid and Ronald Reagan. In addition, it has conducted actions to destabilize Mexico.

The demonstration, which lasted a little more than 2 hours, began after the Permanent Commission session. Yesterday, the Permanent Commission session began with the participation of the PAN representative Jesus Gonzalez Schmal, who again protested about the elections in Chihuahua. Following his speech, Jesus Gonzalez Schmal left the session.

Senator Celso Delgado then charged the PAN partisans of wishing to submit to foreign judgment affairs that are solely the responsibility of Mexico. The PRI Federal District partisans began the demonstration, following the 4-hour session.

PAN WITHDRAWS FROM CONGRESS COMMISSION MEETINGS

PA140418 Madrid EFE in Spanish 0331 GMT 14 Aug 86

[Text] Mexico City, 13 Aug (EFE) -- The National Action Party (PAN) withdrew today from the two meetings to be held by the Mexican Congress Permanent Commission, in protest over the government's stubborn refusal to recognize the alleged electoral victories of its candidates.

Federal Deputy Jesus Gonzalez, who is a representative of PAN (moderate right) -- the second political force in the country -- on the commission, said that if things continue on this path, they will do the same thing during the upcoming Chamber of Deputies session, which begins 1 September and concludes 31 December.

The Congressional Permanent Commission is comprised of senators and deputies from several parties. It holds sessions from 2 January to 30 August, during which two chambers of congress are in recess.

The PRI, which has been in power since 1929, has a majority on the current commission.

Gonzalez stressed that his party is carefully analyzing the possibility that its 41 deputies will not attend President Miguel de la Madrid's fourth and antepenultimate report to the government, which will be held 1 September, to protest the electoral irregularities which -- in its viewpoint -- took place 5 July in Chihuahua.

The legislator scored the antidemocratic policy of the PRI and the government and reasserted that his party will continue struggling for the recognition of its legitimate rights and political positions that, according to him, the PAN won in Chihuahua.

On July 6, gubernatorial elections were held in Chihuahua, which borders the United States. Fourteen deputies to the local congress and 67 mayors were also elected.

According to the PRI, its candidates won the state governorate, the 14 legislative seats, and 65 of the 67 municipal posts.

Likewise, the PAN noted the PRI was involved in fraud so its candidates could win the election.

In addition, the Socialist People's Party said there is enough evidence to link the PAN with foreign political organizations, particularly from the United States, and its official registration as a party should therefore be immediately cancelled.

COMPARISON OF NORIEGA SOVEREIGNTY SPEECH

Panama City CRITICA in Spanish on 13 August publishes on page 31 the address by Defense Forces Chief General Manuel Antonio Noriega delivered at the sovereignty rally in Panama City on 12 August. The CRITICA report has been compared with the Panama City Domestic Service Spanish version published in the 14 August Latin America DAILY REPORT, page N 3, revealing the following variations:

Page N 3, paragraph one, line four reads... the righteous. God has always been our pride and... providing indistinct words;

Page N 4, paragraph three, lines six and seven, read... return to the times when votes and candidates... rewording and supplying indistinct words;

Page N 4, paragraph three, penultimate and last lines, read... popular masses were silent guests at the... providing indistinct word and deleting article for clarity;

Same page, paragraph five, last line reads... with social justice.

This overwhelming expression of civic duty confirms that the Defense Forces have answered slander and provocation with moderation, prudence, care, and a spirit of Christianity.

We have often repeated that Panama... supplying additional passage and providing indistinct words;

Page N 5, paragraph three, line two reads... [currency not specified]. Another concern of ours regards... rewording, deleting passage;

Page N 5, paragraph five, line two reads... big economic problems. They want unity to create programs to put the unemployed to work, help reduce the cost of living, guarantee better health services and better education, improve general well-being, and implement the labor code. That is why those who spread lies before are now being repudiated to their faces.

Those who used foreigners to discredit Panama see now how those same foreigners are being questioned in their own country because they have disclosed state secrets. They sought to instigate a struggle between bothers, but the Panamanian people instead chose to come to this square and chant in unison: Panama with peace, Panama with freedom, Panama with full sovereignty!

Traditionally, we have... supplying additional paragraph and variant wording;

Page N 5, paragraph seven, last line, reads... believe in them.

We have not chosen the easy path. On the contrary, as Panamanians and men of the people, as military men and members of our glorious Defense Forces, we have chosen a more difficult path in which we struggle so that Panama is respected and so it can be free, sovereign and independent.

In the knowledge that Panama is a land bridge and not an island, and that because of its geopolitical position we feel and think differently, we believe that peace in Central America can be achieved only through dialogue and understanding among the peoples.

So long as this is not the case, Costa Rica and Panama will continue to be victims of the refugee problem, which reflects a struggle for survival and is in fact an escape in search of freedom and well-being. The refugee problem is creating more economic and social problems than those caused by the guerrilla warfare in neighboring countries.

I want to... supplying additional paragraphs;

Page N 5, paragraph eight, last line, through last graf, line one, reads... [chants] I want the foreign correspondents to know that the only exiles or deportees in Panama are backwardness, violence, ignorance, and social injustice.

There are no political prisoners! There is respect and feelings of warmth for foreign minorities. There are no ghettos or racism. There are human rights, but not those understood as the demand and supply to receive or deny credit!

I am going to tell you a secret. President Eric Arturo Delvalle is being questioned regarding the concept of militarism. He is being asked why a military man is chief of the railroads if this is a democracy. However, they refuse to remember that U.S. military men ran that same railroad in the past and that its construction was turned over to Panama by U.S. military men.

When it was the Panama Railroad [preceding word in English] it was a matter of security, but now that it is the National Railroads Directorate this is bad.

And Renare [Department of Renewable Natural Resources] is another case in point. Oh, how the president has been pressured: Why a military man? He is asked. However, the people from Chilibre, Gatun Lake, and Gatuncillo are here today. The zonians used to burn their thatched huts, go after the peasants and shoot at them with Magnums [preceding word in English]. And they called that environmental protection.

That building over there was turned over to us by a U.S. military man. However, today this question is asked: Why a member of the Panama military?

On behalf of the General Staff, officers, noncommissioned officers, and enlisted men of Battalion 2000, which is the symbolic unit of fire and movement toward the year 1999 and has a special responsibility, the new Panama Canal, a special greeting!

To all the people who marched today to express civic pride, their Christian spirit, fraternity, youth, and friendship in a genuine expression of all the Panamanian people without distinctions or complexes -- because the Defense Forces are made up of alumni of West Point, Mexico, Guatemala, Honduras, El Salvador, Colombia, Venezuela, Ecuador, Peru, Brazil, Bolivia, Argentina, Chile, Great Britain, France, Sweden, Germany, Italy, Israel, Korea, Taiwan, and Japan;

To foreign correspondents...supplying variant passage.

COLUMNIST ON 'FORCED' HOMAGE TO NORIEGA

PA141910 Panama City LA PRENSA in Spanish 13 Aug 86 p 1-A

["As of Today" column]

[Text] As had been anticipated, public employees did not work yesterday because they were forced to render homage to General Manuel A. Noriega, an homage similar in purpose and result to ones paid to General Ruben D. Paredes and General Omar Torrijos. Nothing about this matter is new. The organization, transport, and other expenses were directly or indirectly paid by the state. The rhetoric, with slight variations, was the same disorderly mix of nationalist glitter and worship of militarism and populism. The supposed reaffirmation of the sovereignty proposed as the objective of the rally was not the genuine expression of the people's aspiration to unite our territory under the Panamanian flag and jurisdiction. This rally was for the interest of the military to consolidate their domination over the country, because to them sovereignty is an attribute inseparable from the Defense Forces command. The purpose of the rally was only to identify nationalism, the state, the government, the people, and the sovereignty with Gen Noriega and the military forces. They must greatly admire Louis XIV's statement: "I am the state." He was not; this was proven in time. Sooner or later it will happen in Panama.

ABADIA: DELEGATION WILL ATTEND NONALIGNED MEETING

PA142029 Panama City Televisora Nacional in Spanish 0000 GMT 13 Aug 86

[Interview with Foreign Minister Jorge Abadia Arias by unidentified reporter on 12 August at Cinco de Mayo Plaza in Panama City -- recorded]

[Text] [Reporter] Will Panama attend the nonaligned countries' meeting?

[Abadia] Yes. Panama will attend the meeting. We are going to present a motion, and our delegation will be the largest we have ever sent.

[Reporter] Who will head it?

[Abadia] We cannot say yet. The president has to sign the decree.

[Reporter] Will the president go to the Dominican Republic?

[Abadia] That is correct, sir. The president will go to the Dominican Republic.

GUATEMALA

GOVERNMENT TO REESTABLISH UK CONSULAR RELATIONS

PA140340 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 12 Aug 86

[Text] Foreign Minister Mario Quinonez Amezquita today confirmed that the Governments of Guatemala and Great Britain will reestablish consular relations on 18 August.

[Begin recording] [Quinonez] We will establish consular relations. Consuls are not diplomats. Consular relations are not the same as diplomatic relations, they involve only trade relations. For example, the issuance of passports and visas is a duty of consuls, as is processing shipping documents. The duty of diplomats is to represent countries, convey the views of each country with the appropriate authorizations and carry out diplomatic agreements. They are two completely different functions. I wish to state clearly that Guatemala will reestablish consular relations with Great Britain, not diplomatic relations.

[Reporter] Will this take place before 15 August?

[Quinonez] Relations may be reestablished on 18 or 19 August through a joint communique issued by the two countries. We will move forward slowly and carefully. Remember that our balance of payments with Great Britain has always favored Great Britain. We also want to bring some benefits to the country through consular relations; we want them to buy from us. It does not make much sense to establish consular relations to buy from them. We want commercial exchange. While they are here, we hope they will more readily help in resolving our differences over Belize. [end recording]

QUINONEZ REITERATES SUPPORT FOR CONTADORA

PA141934 Guatemala City PRENSA LIBRE in Spanish 12 Aug 86 p 5

[Text] Foreign Minister Mario Quinonez Amezquita said yesterday that Guatemala reiterated its support for the Contadora Group because it is the best political effort to achieve peace and democracy in Central America.

Quinonez held a news conference at the National Palace, where he explained the note he sent to the governments that make up the Contadora and Support Groups. In this note, "Guatemala expressed support for the contents of the document that was presented at the Panama meeting on 6 June."

For this reason, Quinonez added, we are pleased with Contadora's decision to continue its efforts to conduct diplomatic negotiations to reduce tensions in the area.

Guatemala feels that the pending issues which must be mentioned in the document include the commitments regarding weapons and military troops, as well as the mechanisms for evaluation and verification that guarantee the effectiveness of the document.

Guatemala has learned that certain governments rejected the draft document and feels that these positions make a new meeting more urgent to continue the search for peace.

Quinonez Amezquita emphasized that he met in Colombia with new President Barco Vargas and with other chiefs of state of countries that make up the Contadora Group who said that "they are determined to continue with the process so long as the Central Americans are willing to each an agreement."

Regarding the possibility of a Contadora failure due to the stand taken by Honduras, Costa Rica, and El Salvador, the foreign minister said that "Guatemala would deplore it if that happened."

If these countries, he said, do not want the Contadora mediation, we would respect that decision, but we would deplore it.

HONDURAS

COMMUNIQUE WARNS CITIZENS OF 'MANIPULATION'

PA140346 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 12 Aug 86

[Communique issued by the Foreign Affairs Secretariat; date not given]

[Text] The State Secretariat for Foreign Affairs has received reliable information to the effect that a diplomatic mission in Tegucigalpa with a direct interest in the matter has been promoting through various means the adoption by some Hondurans of positions favorable to the suit filed by the Sandinist government with the International Court of Justice against the Republic of Honduras and that agents of the diplomatic mission concerned are engaged in activities to manipulate Honduran opinion into opposing the approval by the sovereign National Congress of the treaty for the delimitation of the maritime boundaries between Honduras and Colombia.

These manipulations are being carried out under the aegis of the unrestrained freedom of the press guaranteed by our country's government and do not exclude the holding of public demonstrations aimed at coercing the sovereign National Congress so it will not approve the aforementioned maritime delimitation treaty.

The Secretariat for Foreign Affairs relays this information to the public so the Honduran people will not allow themselves to be caught unaware by those who are at the service of interests pursued by other states, to the detriment of Honduras' legitimate rights.

[Signed] Directorate of Information and Press

Secretariat for Foreign Affairs

Further Communique

PA140355 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 12 Aug 86

[Press communique issued by the Government and Justice Secretariat in Tegucigalpa on 11 August

[Text] The State Secretariat for Government and Justice reminds the public that the Constitution of the Republic clearly stipulates the following:

Article 38. Every Honduran is obliged to defend the homeland, to respect the authorities, and to contribute to the nation's moral and physical well-being.

Article 42. The status of citizen is lost: By providing assistance to the detriment of the Honduran state to any foreigner or foreign government in connection with any diplomatic complaint or before an international court.

The foregoing reminder is issued in view of the maneuvers by foreigners and several Hondurans who seek to harm our homeland's interests in connection with the suit filed by Nicaragua's Sandinist government against Honduras at the International Court of Justice.

[Signed] Tegucigalpa, D.C., 11 August 1986

AIR FORCE C-130 CRASHES NEAR NICARAGUAN BORDER

PA150238 Paris AFP in Spanish 0155 GMT 15 Aug 86

[Text] Tegucigalpa 14 Aug (AFP) -- Honduran Air Force sources confirmed tonight that an Air Force C-130, in which 40 or 50 soldiers were traveling to the Mosquitia region, on the Nicaraguan border, has crashed. Meanwhile, a press correspondent in Comayagua, 100 km north of Tegucigalpa, asserted that the plane took off at 0930 today from the Palmerola Air Base near Comayagua, which has become a permanent base of the U.S. forces stationed in Honduras. The source affirmed that the Honduran Air Force learned of the accident at 1430 and immediately dispatched a squadron of planes and helicopters to the crash site.

According to preliminary, unofficial reports, the plane crashed in the jungle area of Mosquitia, between Olancho and Gracias a Dios Departments on the Nicaraguan border. Honduran Air Force sources, who promised to issue a report when details of the accident are ascertained, asserted that the pilot of the plane was Lieutenant Colonel Luis Aguilar. The plane was carrying 40 or 50 soldiers from the 5th Infantry Battalion, headquartered in Mocoron, in Honduras' Mosquitia region.

AZCONA EXPRESSES SUPPORT FOR L.A. PARLIAMENT

PA142243 Tegucigalpa Telvisora Hondurena in Spanish 0200 GMT 12 Aug 86

[Excerpt] [passage omitted] The Latin American presidents who attended the inauguration of the Colombian President Virgilio Barco Vargas met at the assembly hall of the Colombian Congress in Bogota on the night of the ceremony. Each president expressed his desire to participate in the Latin American Parliament. In the presence of the representatives of the legislative branches of the countries represented at the meeting -- Honduras, El Salvador, Costa Rica, Colombia, Uruguay, and Venezuela -- they discussed an initiative that could open up new possibilities for the pacification of the American Continent.

The meeting was attended by Jose Azcona, Jose Napoleon Duarte, Oscar Arias, Julio Maria Sanguinetti, and Jaime Lusinchi, presidents of Honduras, El Salvador, Costa Rica, Uruguay, and Venezuela, respectively, and the outgoing Colombian president, Belisario Betancur.

In his speech, Honduran President Azcona said that Latin America will play a more active role. He added: Now that there are many democracies in the continent, we must make the great dream of America's liberator, Simon Bolivar, come true. He also said that Honduras will be present in the Latin American Parliament with an open mind and will participate in all forums convoked to defend Latin America and the democratic systems.

[Begin Azcona recording] Developed countries have repeatedly said that Latin America does not progress because we Latin Americans have no initiative and because we have often had governments that abused their power, that in some cases were not honest, that [word indistinct] their country's wealth, etc. However, during the past few years we have also been victims of unjust trade conditions imposed on us by the developed countries. The Costa Rican president has [words indistinct] many times. How can the Latin American countries progress if in 1950 it was necessary to export 50 bags of coffee to purchase a vehicle, and today we must export 200 bags? This example is (?applicable) to all Latin American export products. The added value is transferred to the developed and industrialized countries, which force us to purchase their products at high prices while they force us to sell our products at low prices. All this is in addition to the high interest rates we must pay for the credits we have received. This means that today all of our countries are facing difficulties in paying our foreign debts.

Therefore, it is important for Latin America to make itself heard. I totally agree with what has been said here today, and I totally agree that, once and for all, and taking advantage of this occasion and this moment when there are real democracies in the majority of the Latin American countries, we should make a great effort to make Bolivar's dream a reality, at least in part. As I said in my inaugural speech, even though that dream is not possible today, we can unite to solve our common problems. I am the president of one of the weakest countries in Latin America, a country that is weak economically, democratically, and in many other aspects as well. However, the people of my country want to progress, to walk on the democratic path, and to participate in any forum where our presence is required. Therefore, Honduras will be present at the Latin American Parliament with an open mind, and it will also be present at every forum whenever it is necessary to defend Latin America and the democratic systems. [end recording] [passage omitted]

TWO FISHERMEN REPORTEDLY CAPTURED BY EPS

PA150027 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 13 Aug 86

[Excerpts] Two of forty Hondurans fishing for jumbo shrimp in the southern part of the country, in the area known as Torrecillo near the border with Nicaragua, but in Honduras, have allegedly been captured by Sandinist troops. However, the individuals who captured the Hondurans were dressed in civilian clothes. The capture took place during a shootout staged by the Sandinists. [passage omitted]

The incident was reported to the Foreign Ministry yesterday so that pertinent procedures can be carried out against the Nicaraguan Government. It is believed that the two young fishermen are being held at a jail in Potosi. [passage omitted]

NICARAGUA

ORTEGA NEWS CONFERENCE ON SENATE AID VOTE

PA141724 Managua Domestic Service in Spanish 1530 GMT 14 Aug 86

[News conference by President Daniel Ortega Saavedra at the auditorium of the Information and Press Directorate of the Presidency of the Republic -- live]

[Text] Good morning, Nicaraguan people who are listening through this radio network; good morning, journalists. Last night the U.S. Senate committed another violation of international law. We all know of the previous voting in the lower chamber, in the House of Representatives, in which 221 representatives voted against international juridical order, against law, and 209 representatives voted in favor of the international juridical order, in favor of law.

Last night the voting in the Senate resulted in 53 senators voting against law, and 47 voting in favor of law. We consider this a truly blatant action, because although it is true that the House of Representatives' vote was a violation of the law and of the international juridical order, the International Court of Justice [ICJ] had not yet announced its decision when the House voted. The decision was announced the following day. However, now that the Senate has had to make a decision, it has done so with knowledge of the ICJ ruling, which is known worldwide, a ruling announced by the ICJ over 1 month ago.

Therefore, this is the first action of total rebellion against the highest court of justice in the world. Although it is true that the final step in enacting this act of contempt for the law -- namely the U.S. President's sanctioning of the law -- is still pending, it permits the immediate implementation of the $100 million in financial aid, forwarding weapons and sending military advisers to help the mercenary forces. This final formality, so to speak, is the only step pending before we face the first actions of total rebellion against the highest international court.

On many occasions the U.S. Government has said that other governments have not accepted the court's jurisdiction and that those governments have refrained from taking a specific dispute to the court. However, such declarations are not consistent, because in reality, when certain cases have been brought before the court, when in face of a given complaint or demand a country has refused to accept the court's jurisdiction, those problems have been resolved in the long run through understanding between the parties involved. An example of this was the case between Pakistan and India, in which a crisis developed at a given moment concerning the court's jurisdiction, but which finally resulted in an agreement between Pakistan and India.

The case between France, Australia, and New Zealand concerning nuclear tests was another case, which finally ended with the suspension of nuclear tests, although the case was not fully aired in the court. We could also mention a case presented to the court by the United States when U.S. citizens were being held as hostages at the U.S. Embassy in Tehran. The liberation of the U.S. citizens occurred while the court was debating the case, and the only pending aspect was indemnification.

So we are really facing the first action of total rebellion before the ICJ. There is no parallel action. The United States has tried to hide its guilt by mentioning some of the cases I have just noted, but, truly, none of these cases can be compared with the U.S. behavior, as it even participated in the initial phase of the process and then withdrew altogether. This action by the U.S. Government is part of a systematic policy which hurts international juridical order and the United Nations.

We, all the countries of the world, have witnessed the behavior of the U.S. Government, which has tried to deprive the United Nations of legitimacy, adopted specific measures against UN organizations, withdrawn from UN organizations, and looked for ways to negatively affect the efforts that have been made so that the countries of the world can have a legal framework for reaching understanding and resolving conflicts. They are trying to destroy this international legal framework to impose the law of the jungle.

The President of the United States still has the opportunity to avoid becoming an international criminal. The moment the U.S. President signs the bill to make it law, he will become an international criminal. However, he has the opportunity not to become an international criminal. He has the opportunity not to damage the image of the U.S. people and nation.

So we wonder: Will the President of the United States sign the law, thus exposing his country to being called an international criminal, or won't he? This is the question we are asking ourselves. In Chicago we made a proposal that we are maintaining. That proposal has to do with the peaceful solution of conflicts, with respect for international law. We want to say we are happy that following our Chicago proposal -- approximately 1 week later, in Colombia, during the inauguration of President Barco -- the Contadora and Lima groups reinitiated the work of this movement to search for peaceful solutions, through dialogues, for the conflict being endured by the Central American countries.

A few days after making the Chicago Proposal we received in Nicaragua the Vatican's representative, with whom we had the opportunity to discuss the situation. We told him we are prepared to reach an understanding with the Vatican and with the Nicaraguan bishops. He told us later -- and we received a letter in this regard from the Episcopal Conference in response -- that both the Nicaraguan Government and the Episcopal Conference accept holding a dialogue. We hope to initiate this dialogue when we return from the Harare summit meeting. We wanted the dialogue to take place immediately. That was our position, but the bishops have explained that some of them are ill and others have to leave. Thus, the meeting with the Nicaraguan bishops will be postponed until next month.

In Guatemala there has been a meeting among the Central American vice presidents. What happened last night is a blow to the dialogue effort being made by the Central American governments. It has been a blow to Contadora, to Latin America, to the Central American governments, to the dialogue we are promoting with the Church. While here we are taking steps in favor of the dialogue, the U.S. response has been to finance the war, to finance death.

We have nothing further to say about this situation. The Nicaraguan position, noted after the vote by the House of Representatives, is already known. There will be no new spectacular measure adopted. However, the Nicaraguan people will now have to be more alert than ever. They must be militarily mobilized and prepared to face the war escalation of the U.S. Government.

It is true that counterrevolutionary and mercenary forces alone have no chance to win; but by having done this, the U.S. Government is setting the basis, the political grounds, for launching a military intervention against Nicaragua. Therefore, we are facing what has been called the Vietnamization of the Central American conflict.

Based on this, we are alerting the international community and issuing this call from Nicaragua to the UN Security Council, the Contadora and Lima groups, all the countries of the world, and the Nonaligned Movement to face this situation that endangers not only the Nicaraguan people and the Nicaraguan revolution but world peace, because with this behavior the U.S. Government is challenging and trying to destroy international law. This is what we wanted to tell you after we learned of the decision made by the U.S. Senate last night.

It must be acknowledged that President Reagan is not promoting a policy that has massive bipartisan support. If we look at the count at the House of Representatives and the Senate, the difference is truly that of a divided Congress. The U.S. Congress is divided. It is true that the U.S. President got a majority of votes, but it was a majority with a very small margin.

For example, the 221 to 209 vote in the House of Representatives was very close. In addition, the 53 to 47 vote was very close. In other words, the difference of 6 votes at the Senate and 12 votes at the House of Representatives are very smallmargins that show that the U.S. Congress is not giving unanimous support to this warmongering policy, this policy of force, this illegal policy. It also shows that the U.S. people are not supporting this illegal policy and this policy of force. So we trust that the U.S. people will know how to confront this act that violates the laws of their government, which endangers world peace and threatens to shed the blood of North American youths in Central America. Do you have any questions?

[Clayman] Adam Clayman of the APIA news agency. I have two questions: Does the cancellation of your trip to Santo Domingo have anything to do with the Senate's decision yesterday? Second, do you know of any additional measures, diplomatic measures, by the United States? For example, there is the rumor that there are plans to reduce the U.S. mission in Nicaragua to the charge d'affaires level.

[Ortega] We have not cancelled our trip to Santo Domingo. We are still going. Regarding additional measures, surely new measures could be implemented after this. There is talk of a blockade, even a naval blockade, around Nicaragua. This is a step that has been contemplated by U.S. strategists who promote this policy. On other occasions there has been talk about the withdrawal of the U.S. ambassador to our country and reducing representation. But, well, that is still to be seen.

However, what cannot be denied is that there is a new turn in the war that the United States has been promoting against Nicaragua.

[Garcia] Eric Garcia Salinas of ACAN-EFE. We have reports that the government has ordered the withdrawal of European volunteer workers from the war zones. Is this true?

[Ortega] The Nicaraguan Foreign Ministry is drafting a communique in which we are taking every necessary measure so that the international volunteers will not be working in the most dangerous areas. We want to preserve their lives. We want to guarantee their lives.

We have a responsibility as a government, and thus we are going to withdraw these volunteers from the most dangerous areas of highest conflict, and we will relocate them in other areas. We have already held meetings with all government and nongovernment organizations, as well as with the volunteers who are here in our country to draft a relocation plan for those who are in the most dangerous areas.

[Corral] Fausto Corral of Ecuador's HOY newspaper. How will Nicaragua's efforts at the United Nations regarding The Hague Court issue continue? Will you take this matter to the General Assembly?

[Ortega] Nicaragua reserved the right to convoke, in due time, the UN Security Council. What we did was to inform the UN Security Council formally about this situation and report it to the international community. However, in due time Nicaragua can convoke the UN Security Council and the General Assembly.

[Unidentified reporter] Commander Ortega, the new decision of the U.S. Administration revives the topic of Nicaragua's defensive weapons. What is the current stand of the Nicaraguan Government on this?

[Ortega] The Nicaraguan position of obtaining all those weapons needed to defend the country has never been more fair. All our weapons are defensive, and we are facing what is practically a declaration of war from the U.S. Government. All that is left is for the President to sign the law. Therefore, we are facing a declaration of war. Well, thank you.

Envoy Foresees Intervention

PA141316 Managua Radio Sandino in Spanish 1237 GMT 14 Aug 86

[Text] The U.S. Congress has chosen war, Nicaragua has said regarding the Senate's approval of additional aid for the contras. The United States is heading irrevocably toward direct intervention by U.S. troops in Nicaragua and to the Vietnamization of the Central America conflict, Nicaraguan Ambassador to Washington Carlos Tunnerman has said.

The Nicaraguan Embassy last night accused the U.S. Congress of regrettably choosing war over the peaceful settling of disputes between states.

In a communique, the Nicaraguan Embassy said that the Senate's decision to support the Reagan administration's request for aid to the contras represents congressional approval for financing a war against the Nicaraguan people and government. This action shows absolute contempt for international laws and violates the International Court of Justice's ruling of 27 July 1986.

The recent actions approved by the two U.S. congressional houses shows a regrettable preference for war over the peaceful settlement of disputes between states, the communique added.

For his part, Ambassador Carlos Tunnerman said that the United States is heading irrevocably toward direct intervention by its troops in Nicaragua and to the Vietnamization of the Central American conflict.

ORTEGA BEGINS 1-MONTH TRIP TO THREE COUNTRIES

PA150218 Panama City ACAN in Spanish 0136 GMT 15 Aug 86

[Text] Managua, 14 Aug (ACAN-EFE) -- President Daniel Ortega embarked today on a lengthy official trip that will take him to the Dominican Republic, China, and Zimbabwe, according to Sandinist sources.

Commander Ortega's tour will last 1 month, but there was no word as to the dates and length of stay in each country.

In the Dominican Republic he will attend the inauguration of the new head of state Joaquin Balaguer on 16 August. In Zimbabwe, he will participate in the seventh meeting of the Nonaligned Movement, from 26 August to 10 September.

The sources did not explain the reason for the Nicaraguan president's visit to China or how many days he will spend there. Ortega's trip takes place 1 day after the U.S. Senate approved $100 million in aid for the contras, thus ratifying the decision reached by the House of Representatives on 25 June.

RAMIREZ VIEWS RELATIONS WITH CHURCH, BISHOPS

PA142301 Panama City ACAN in Spanish 2145 GMT 14 Aug 86

[Text] Guatemala, 14 Aug (ACAN-EFE) -- Nicaraguan Vice President Sergio Ramirez Mercado has said that the Catholic Church will not topple the Nicaraguan Government "because there is no conflict" with that institution. Ramirez Mercado, who participated with his Central American counterparts in the installation of the preparatory commission for the "Central American parliament," returned to Managua today.

The Nicaraguan vice president told ACAN-EFE that there is no conflict between the Sandinist regime and the Catholic Church or with religion, "because in Nicaragua there are 400 priests, more than 800 churches that hold masses on Sundays, and there are open-air processions and religious manifestations."

"We have no conflict with the church or religion; we have conflicts with certain bishops who support the counterrevolutionary aggression, and that is another problem" the vice president said. According to Sergio Ramirez, "The problem is not with the bishops but with their political positions, which lean toward the counterrevolution at a time of war such as we are experiencing."

The Sandinist politician said that 86 percent of the Nicaraguan people "are Catholic, and the Church is made up of God's people. Therefore, we cannot be in conflict with the Church, because God's people have the weapons in Nicaragua."

The Sandinist leader recalled that Guatemalan President Jacob Arbenz (1951-1954) "was not toppled because he confronted the church, but because he confronted the United Fruit [company], the State Department (U.S.), and the newly born CIA, and he hesitated to give the people rifles."

"In Nicaragua there are 300,000 Nicaraguans who have rifles in their hands and in this case it is not possible to take the people's power away," Ramirez Mercado said.

Ramirez said: "Criticism does not worry us, but if someone, whether a bishop or not, says that the International Court of Justice [ICJ] decision is prejudiced because it favors Nicaragua, that the counterrevolutionaries have a right to take up arms and receive money from anyone, his opinions are those of a traitor," The ICJ favored Nicaragua in a complaint lodged by that country against the U.S. Government for promoting a "war" against Nicaragua.

"Nicaragua is faced with the problem of treason against a small, poor, weak country," Ramirez added. In Nicaragua "there should be political differences, a pluralist society, and an open exchange of ideas, because that is the only way to succeed." But if during a war "that has already cost us thousands of deaths and dollars, someone says that the aggression is fair, that is another problem." "It is not a problem of opinion, but an act of treason against one's own country," Sergio Ramirez stressed.

The vice president added that the same problem exists with the opposition newspaper LA PRENSA, which has been closed indefinitely the Sandinists. Its "owners are aligned with the Reagan administration's policies," he said.

"We would not be bothered by the fact that someone has pro-North American opinions if we were at peace with the United States, but we are in a war situation," Ramirez said. He said that no country experiencing a war tolerates positions that destroy the national unity.

"When Mrs Thatcher attacked Argentina during the Malvinas war, she seized ships and censured the press," Ramirez said.

FSLN DELEGATION MARKS CASTRO'S BIRTHDAY

PA150300 Managua EL NUEVO DIARIO in Spanish 13 Aug 86 pp 1, 8

[Communique issued by the FSLN National Secretariat, date not given]

[Text] The FSLN National Secretariat reports that:

Given that Comrade Fidel Castro R., president of Cuba and first secretary of the Communist Party of Cuba, will celebrate his birthday, a delegation led by Comrade Lidia Saavedra de Ortega, mother of Sandinist hero Camilo Ortega Saavedra; Captain Julio Cesar Aguilar Ochoa, commander of the Simon Bolivar Battalion for Unconventional Warfare; and Comrade Julio Lopez C., chief of the FSLN International Relations Department, went to Cuba to take Comrade Castro greetings from the FSLN National Directorate, FSLN members, and the Nicaraguan people and government.

FSLN National Secretariat

U.S. SENATE APPROVAL OF AID TO CONTRAS NOTED

FL141137 Havana Radio Progreso Network in Spanish 1100 GMT 14 Aug 86

[Text] By 53 votes in favor and 47 against, the U.S. senate has approved the Reagan administration's request to give $100 million in aid to the Nicaraguan counterrevolutionaries.

While President Ronald Reagan called the Senate's decision wise, Senator Tom Harkin said the approval of those funds to the counterrevolutionaries opens the road to U.S. armed intervention in Nicaragua.

Vote Marks 'New Stage'

FL141811 Havana Television Service in Spanish 1700 GMT 14 Aug 86

[Text] The U.S. Senate approval of $100 million in aid to the Nicaraguan counterrevolutionary bands operating in Nicaragua is an official recognition and acceptance of the aggressive military maneuvers practiced against the Sandinist revolution by the Reagan Administration.

With 53 votes in favor and 47 against, after 3 days of debate, the Senate approved the large sum to finance and provide logistical support to Somozist forces.

In addition, the measure includes the concession of $300 million to other U.S. allies in Central America: Honduras, El Salvador, Costa Rica, and Guatemala.

In the opinion of several observers, that decision begins a new stage in the U.S. policy of interference in the area, especially in Nicaragua. The measure demonstrates the desperate interest of the U.S. Government in destabilizing the Sandinist revolution based on Reagan's ridiculous arguments of the so-called danger that Managua could create for regional security and the United States.

During the past few months the White House has carried out a strong pressure campaign which concluded last night with the approval of the $100 million requested by Reagan.

On 1 September Reagan's proteges -- responsible for the deaths of hundreds of Nicaraguan children, elerly people, women, and men -- will receive the first $40 million, which will initiate a higher level in the already long chain of U.S. aggressions against Sandino's fatherland.

Contadora Stance Noted

FL141605 Havana Radio Reloj Network in Spanish 1423 GMT 14 Aug 86

[Text] The Contadora Group is in the process of internal revision and is analyzing the strategy to neutralize the Nicaraguan counterrevolution and assure peace, contrary to the theories presented by the U.S. Government.

Analysts say this new alternative was discussed by the foreign ministers and leaders present in Colombia during President Virgilio Barco's inauguration.

The purpose of the new Contadora strategy is to confront the official U.S. action supporting and financing the Nicaraguan counterrevolution which, according to Washington, should be viewed as an eventual solution in Central America.

The decision made last night by the U.S. Senate to approve Reagan's request for $100 million in military aid to the Nicaraguan counterrevolution reveals a policy recognizing those bands.

LAWYERS SUPPORT ICJ DECISION AGAINST U.S.

FL141528 Havana Radio Reloj Network in Spanish 1416 GMT 14 Aug 86

[Text] The National Union of Cuban Lawyers has issued a declaration congratulating and applauding the just decision made by the International Court of Justice [ICJ] on 27 June 1986 in response to the Nicaraguan demand made in April 1984 against the United States.

The Sandinist government requested the ICJ declare the United States responsible for the aggressions committed in recent years against the Nicaraguan revolution.

The sentence given by The Hague Tribunal, the highest judicial organ of the United Nations, can be called historic.

The Union calls on all progressive lawyers of the world, particularly those in America, to give extensive recognition to the court's decision to ensure its enforcement so the United States will follow the norms of international law.

MEXICO'S PRESIDENT REJECTS U.S. 'INTERVENTION'

PA150055 Havana International Service in Spanish 2300 GMT 13 Aug 86

[Text] Mexican President Miguel de la Madrid has said in Washington that his government firmly rejects any U.S. intervention in Mexican internal affairs. In a meeting with U.S. Senator Dennis DeConcini, De la Madrid said that he was not willing to discuss Mexican election results with any U.S. politician.

One month ago Senator DeConcini handed the Senate a draft resolution in which he accused the Mexican Government of fraud in the 6 July Chihuahua state elections; in the draft he asked that the elections be annulled.

Mexican President Miguel de la Madrid said that DeConcini's information on the actual Mexican situation was not correct, and the National Action Party, which the U.S. Senator supports, is an opposition political organization that is always seeking support from the United States.

VIERA ON SOUTH AFRICAN AGGRESSION AGAINST ANGOLA

FL141258 Havana Radio Progreso Network in Spanish 1100 GMT 14 Aug 86

[Text] Jose Viera, first vice minister of foreign relations, has affirmed in Havana that the recent South African aggressions against Angola are a demonstration of an adventurist policy and U.S. alliance with the apartheid racist regime.

Viera said that the Nonaligned Movement will demonstrate at the upcoming summit in Zimbabwe that the times of racism and apartheid have ended.

NONALIGNED MOVEMENT SUPPORT FOR C.A. NOTED

PA140446 Havana International Service in Spanish 2300 GMT 10 Aug 86

["Our America" commentary]

[Text] It has been 25 years since the first Nonaligned Movement summit meeting. In these 25 years, the movement has seen the Latin American presence within the organization grow noticeably. Today, 15 nations of the region enjoy the status of full members of the Nonaligned Movement, and 10 others participate as observers. The Puerto Rican Socialist Party, as a national liberation movement, is also an observer within the movement. The growing participation of Latin America and the Caribbean within the ranks of the nonaligned corresponds with the support that the movement has been increasingly offering to the better causes of the peoples of our America.

The Nonaligned Movement has always supported Cuba in the face of the aggressions to which it has been subjected by U.S. imperialism. The movement has also demanded that Washington put an end to the criminal economic blockade it has imposed on the island and return to Cuban sovereignty the land on which the Guantanamo Naval Base is located. The movement has also supported the Puerto Rican people's struggle for its independence and has demanded an end to the colonial presence in Guadeloupe, Martinique, and French Guiana, French territories in the Caribbean.

The movement also condemns the permanent U.S. aggression against Nicaragua and had demanded that the Nicaraguan people be allowed to build the society they feel meets their wishes and interests. At the same time it has spoken out against the United States' open intervention in El Salvador and supports their emancipation struggle. The Nonaligned Movement also supports the anti-fascist struggle of the Chilean people, Bolivia's just aspiration for a sea outlet, and, also Argentina's claim to the Malvinas Islands.

The Nonaligned Movement has also been a staunch supporter and promoter of international solidarity for the people and government of Panama in its struggle to rescue its sovereignty over its national territory and today is demanding the United States respect the 1977 Canal Treaties. At the ministerial meeting held in New Delhi in April, the Nonaligned Movement condemned foreign intervention in Haiti's domestic matters and demanded that its people be allowed to freely choose their economic and political system.

The movement's foreign ministers said the Third World's foreign debt was unbearable under the current situation, described the IMF's policies as inadequate, and urged a just and equitable new world economic order.

At the end of this month, the eighth Nonaligned Movement summit will begin in Harare, Zimbabwe. The Latin American and Caribbean representation will be larger than ever, and the movement's solidarity with the causes of the peoples of our America will be strengthened.

GDR DEPUTY CHAIRMAN ARRIVES IN HAVANA

FL141241 Havana Radio Progreso Network in Spanish 1100 GMT 14 Aug 86

[Text] Dr Manfred Gerlach, deputy chairman of the GDR Council of State, has arrived in Havana on his way to other Latin American countries.

Dr Gerlach, who is also chairman of the Liberal Democratic Party of Germany, was met in Havana by Elia Garcia Patino, chairman of the Parliamentary Friendship Groups of the National Assembly of the People's Government.

POLITBURO MEMBER PRESIDES OVER CEREMONY

FL142334 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Aug 86

[Text] Esteban Lazo, Politburo member and party first secretary in Santiago de Cuba province, today presided over a ceremony where the people of Palma Soriano presented their productive and social commitments in salute to the 30th anniversary of the Santiago de Cuba armed uprising.

During his closing speech, Lazo reasserted that the province will fulfill its production and defense goals.

LOSSES IN VARIOUS MINISTRIES DETAILED

FL150130 Havana Television Service in Spanish 0000 GMT 15 Aug 86

[Excerpt] As of 30 June, the country has lost 70 million pesos due to factors directly affecting profits. The main causes range from theft to pending bills which have been cancelled by some companies. Some of the main causes of this situation are lack of control, lack of demands, and irresponsibility.

Among those reflecting the greatest losses are the Ministry of Construction, 32 million pesos; Ministry of Industry, 20 million pesos; Ministry of Agriculture, 8 million; and the Ministry of the Steelworking Industry [SIME], over 6 million pesos. A portion of the losses is inevitable because of damaged or deteriorated goods. The losses that our economy suffers for unjustified reasons are very high.

For example, in 1985 the SIME Cuban-Soviet Friendship Motor Repair Company registered 5,442,600 pesos in direct losses. [passage omitted]

CDB, FAO AGREE TO PROMOTE COOPERATION

FL142155 Bridgetown CANA in English 2130 GMT 14 Aug 86

[Text] Bridgetown, Barbados, Aug 14, CANA -- The Caribbean Development Bank (CDB) and the UN Food and Agriculture Organisation (FAO) today signed a letter of understanding, expected to lead to increased co-operation in technical co-operation.

FAO Director General Edouard Saouma said the organisation would be able to assist the bank in developing expertise in identification and appraisal of projects for agriculture and fisheries. The CDB has collaborated with the FAO informally since the bank was established in 1970. Saouma said the FAO looked forward to co-operating with the bank and was ready to act.

CDB President William Demas said: We are of the view that, in the agricultural sector, there are mutual benefits to be derived by our institutions through joint approaches in such areas as project identification, preparation, appraisal and implementation as well as sector studies, policy planning and information exchange. Demas said the bank was very concerned over the problems of the small farmers.

We recognise that they have played, and continue to play, a significant role in both domestic and export agriculture and provide most, if not all, of the food that is locally produced, he added. For this reason, it is our view that both of our institutions can find some common ground for collaboration to support the growth and development of the small farm sector.

JAMAICA

PANEL TO INVESTIGATE ELECTION IRREGULARITIES

FL142113 Bridgetown CANA in English 1503 GMT 13 Aug 86

[Text] Kingston, Jamaica, Aug 13, CANA — The Jamaica Government has set up an independent inquiry into reports of voting irregularities and administrative weakness during the July 29 municipal elections, swept by the Opposition People's National Party (PNP). It will make recommendations for the strengthening of the electoral system.

Prime Minister Edward Seaga announced last night that the commission will be headed by a former chief justice, Sir Herbert Duffus. It includes a former solicitor general, Ewart Forrest and a former permanent secretary in the National Security and Justice Ministry, Donald Rainford. No announcement was made on when the commission will begin its work.

There were pockets of violence on election day and reports of open voting, electoral and party officials being chased from polling stations and theft of ballot boxes. The problems were mainly in a few traditionally volatile political areas in the capital, the parish of St Catherine, west of Kingston, and Clarendon, south central Jamaica.

PNP leader Michael Manley said this week that both his party and Seaga's Jamaica Labour Party (JLP) had the capacity to solve the problems of electoral malpractices. Manley warned that if action was not taken now, it could become impossible to really know what are the true decisions of the Jamaica electorate. Elections here are overseen by an independent electoral advisory committee with members from the two major political parties and independents appointed by the governor general.

According to Seaga, the terms of reference of the commission were to enquire into allegations of misconduct, irregularities, malpractices and weaknesses in the conduct of the election. It is to make recommendations for improvements in the electoral system to ensure its strengthening and integrity. Seaga said that establishment of the electoral committee had gone a long way in improving the selection of electoral officers and functionaries.

It is, therefore, all the more necessary to ensure that the administration of the conduct of elections, including such matters as protection of ballot boxes, security arrangements at polling stations and communication in the field on election day do not fall short of what the nation is entitled to expect, the prime minister said.

HUNGARIAN CREDIT LINE PERMITS RANGE OF IMPORTS

FL142121 Bridgetown CANA in English 1431 GMT 13 Aug 86

[Text] Kingston, Jamaica, Aug 13, CANA -- Jamaica will benefit from a U.S. 22 million dollar line of credit from Hungary, the first such arrangement with an Eastern Bloc nation. The money will go toward the purchase of goods from Hungary and is being administered by the local Export-Import (EXIM) Bank, the Central Bank announced.

It said that line of credit is opened to both the public and private sectors and will allow for the import of a wide range of capital goods, raw materials, spares and consumer items. Agricultural equipment and fabricated construction materials of iron, steel and aluminium are among the products eligible under the arrangement.

The EXIM Bank said the loans under the scheme will attract an annual interest of 7.75 per cent for consumer goods and 8.5 per cent for capital goods. Both will attract a two per cent service charge by the bank. There will also be a one per cent charge for service and committment fee. Repayment period is subject to negotiation. An EXIM Bank credit official said this was the first major line of credit between Jamaica and an East Bloc nation, although trading already exists.

Business analysts say that East Bloc credits might be attractive to foreign exchange-short Jamaica because of their relatively soft terms compared to commerical and other arrangements.

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BRODERSOHN EXPLAINS ECONOMIC MEASURES

PY152021 Buenos Aires BUENOS AIRES HERALD in English 14 Aug 86 p 2

[Text] (NA-DYN) -- Treasury Secretary Mario Brodersohn oficially announced yesterday that the government will send a package of economic measures to Congress next week to fight inflation.

The package, aimed at boosting production and growth, includes a "once only" tax whitewash coupled with a reform of the tax system and also the implementation of several other regulations regarding capital repatriation and capitalization of the public foreign debt. Brodersohn explained that the measures intend to "create conditions for economic growth" and pointed out that the whitewash decided by the government was "substantially different from previous ones" because it will be complemented by a tax system reform and measures to fight tax evasion. He admitted that though the whitewash was not included in the Radical Party electoral platform because it was considered "little ethical," the government had decided it was now necessary to take pragmatic actions.

Brodersohn told reporters that the whitewash will take place now that other reforms which changed traditional rules for almost all taxes have already been passed by Congress; such as the new inflation adjustment system and the elimination of banking and stock exchange secrecy and of share anonymity.

The treasury secretary also gave details on the proposed tax system reforms. This system will include the income and eventual benefits of taxpayers who have not declared these new assets up to December 31, 1985, and they will be subject to the payment of a special regulatory tax. Capital, net assets and value added tax (IVA) will also be included in the overhaul and unpaid taxes and fines will be pardoned. Brodersohn stressed that along with these measures repatriation of Argentine capital will be linked with the capitalization of the foreign debt and will be earmarked for two purposes; investment projects (basically those related to industrial and export promotion) and long-term investment.

UK PLANES 'HARASSING' SHIPS IN SOUTH ATLANTIC

PY161651 Buenos Aires TELAM in Spanish 1557 GMT 16 Aug 86

[Text] Comodro Rivadavia, 16 Aug (TELAM) -- Argentine fishing ships were harassed this week by British planes operating from the Malvinas Islands base. These planes made low flights over Argentine ships that were fishing in areas outside the unilateral "exclusion zone" established by the United Kingdom. The charge was made at Puerto Deseado, Santa Cruz Province, by crewmen of the ship Rokko Maru. Gaston Vigier, the captain of the ship, made statements to the newspaper EL PATAGONICO and to Radio Puerto Deseado. Vigier said that a Neptune aircraft flying British colors and the RAF inscription painted on its fuselage made a low flight over the ship, coming within just 20 meters of its mainmast. The ship, which is 102 meters long and has a crew of 74, was fishing in the South Atlantic. The captain regarded the low over-flight as harassment and noted that other ships suffered similar intimidating actions in recent days. The report was confirmed to TELAM by the Argentine naval prefect at Puerto Deseado, Osvaldo Sieppe, who thus confirmed the charges made by the captain and crew of the Rokko Maru. Sieppe also confirmed that similar intimidating actions by British planes against Argentine fishing ships had occurred this week.

DURAN, BARTHELEMY DISCUSS AID FROM U.S.

PY160005 La Paz Cadena Panamericana in Spanish 1700 GMT 15 Aug 86

[Excerpts] Presidential Secretary Juan Carlos Duran Saucedo today downplayed Washington reports that the United States has turned down Bolivia's request for $100 million to help fight drug trafficking. The minister said that the report from the United States carried by the news agency EFE was groundless and unofficial.

[Begin Duran recording] Well, my opinion is, to begin with, this report does not provide the source of the statement. In the second place, I feel that it is a hasty statement because the Bolivian ministers did not go to the United States to ask for $100 million in cash. The ministers went to see President Reagan and the U.S. secretaries to ask them to facilitate the negotiations with the various international organizations to obtain funds. Naturally, to obtain these funds one must follow certain procedures, as is usual in the case of any foreign aid and cooperation. Therefore, it is pointless and hasty to judge the trip of the ministers to the United States as either positive or negative at this point. [end recording] [passage omitted]

Interior, Migration, and Justice Minister Fernando Barthelemy today said it would be a mistake for the United States to deny Bolivia the $100 million it has requested for the struggle against drug trafficking. The minister refused to say what the government would do if this happened, but insisted the United States must back Bolivia in its attempt at eliminating the scourge.

[Begin recording] [Barthelemy] We have nothing official. What we have are news media reports. However, my personal opinion is it would be a terrible mistake for the United States Government to refuse to contribute to an undertaking as important as the struggle against drug trafficking.

We knew very well there were bound to be side effects and economic problems for the country when we began the fight, and still we have managed to maintain the struggle against drug traffic. Therefore, the request of the Bolivian Government is fully justified. I repeat that I feel it would be a bad policy move for the United States Government not to cooperate directly with its Bolivian counterpart in carrying out this task.

[Reporter] Mr Minister, should this aid not materialize, will the Bolivian Government change its current attitude and refuse to accept U.S. troops on Bolivian territory?

[Barthelemy] I am not a prophet, and I would not like to predict anything at this point. [end recording]

Later, the interior minister said that Bolivia needs much more than $100 million to fight drug trafficking.

[Begin Barthelemy recording] It is quite obvious that it is not the amount of money needed to develop the country that helps to establish areas of development and improve the standards of living. If, on top of this, we are going to demand the eradication of coca plantations, we will need a great deal more money, not only for the antinarcotic program, but mainly for development programs. This money could be obtained through loans because these loans would be invested in productive projects. But, what is really needed is support for the balance of payments and this cannot be obtained through loans because the country cannot pay these loans. We also need support to outfit the Armed Forces and the police for a direct struggle against drug trafficking. This too must be a donation or a nonreimbursable contribution. [end recording]

The minister concluded by saying the government is awaiting the latest news on the negotiations of its ministers in Washington and he hopes that this news will be positive for the country.

Information Minister on Aid

PY161155 La Paz La Red Panamericana in Spanish 0000 GMT 16 Aug 86

[Text] Information Minister Herman Antelo denied the United States has refused to aid Bolivia with $100 million. He made this statement during a press conference referring to U.S. reports on Bolivian ministers who are negotiating in Washington.

[Begin Antelo recording] First, I would like to deny some press reports saying the United States allegedly refused to help Bolivia. This help had been requested by a Bolivian delegation in Washington. It is not true. The atmosphere in which the Bolivian request was received was totally favorable, and at the moment, the Bolivian delegation is discussing with U.S. Government officials the manner in which aid can be implemented. [end recording]

Afterward, the minister said that given the sort of aid requested by Bolivia, it will have to first be approved by the U.S. Congress. He added that the Bolivian delegation and the IMF are jointly studying the possibility of obtaining a $100-million bridge loan.

[Begin Antelo recording, in progress]...a $100-million bridge loan. One of the most important aspects raised by the Bolivian proposal -- and one which has been well-received by the U.S. Government and public -- was the Bolivian Government's decision to maintain its drug trafficking repression policy and program as well as a proposal to definitely replace the coca crop in 3 years. To carry out this plan, Bolivia has requested from the U.S. Government $300 million in aid -- that is, $100 million per year -- to provide the peasants, who are currently cultivating coca leaves, with attractive alternative farming projects. This project will be discussed by the U.S. Congress with the support of the U.S. Government. This project aims exclusively at finding an alternative for the peasants who make a living from coca leaves crops. [end recording]

COB ASKS OPPOSITION TO IMPEACH PAZ ESTENSSORO

PY152041 Paris AFP in Spanish 1338 GMT 15 Aug 86

[Text] La Paz, 15 Aug (AFP) -- The Bolivian Labor Confederation (COB) has asked opposition legislators to begin impeachment proceedings against President Victor Paz Estenssoro and four cabinet members, for allowing the nation's sovereignty to be violated according to COB leader Juan Lechin Oquendo.

The top-ranking COB leader noted that the deputies approved the request because of the unconstitutional position adopted by the executive branch in allowing the presence of U.S. soldiers in national territory, without the previous legal authorization of the legislative branch. He added that the government cannot deny the presence of foreign military forces led by General John Taylor or ignore the Bolivian Armed Forces, which are capable of confronting drug trafficking.

COCA FARMERS OPPOSE U.S. TROOP PRESENCE

PY161318 Madrid EFE in Spanish 0034 GMT 16 Aug 86

[Text] Cochabamba, 15 Aug (EFE) -- The Federation of Peasant Workers of the tropical area of Cochabamba, east of La Paz, has announced it will not allow the plan to reduce coca farming to continue so long as U.S. troops remain on Bolivian territory.

Peasant leader Julio Rocha stated this decision was made after coca farmers were repeatedly attacked by antinarcotic units. Rocha also explained the program to reduce coca crops promised farmers $300 for each hectare. However, according to Rocha, the government has not fulfilled its promises, and there are many peasants who have destroyed their coca crops without compensation.

SARNEY ANNOUNCES AGRICULTURAL SECTOR GOALS

PY161415 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Aug 86

[Excerpts] When announcing goals for the agricultural sector yesterday, President Sarney said the new measures establish the priorities for the agricultural sector with increases in the production of rice, corn, beans, and manioc. On the same occasion, the president signed decrees creating teams to review agricultural insurance and define policies on the raising of cattle for slaughter. He also approved the creation of the rural savings account, the rural development fund, and the National Center for Research on Irrigation. President Sarney explained the importance of the new measures in his speech:

[Begin recording] Withthis agricultural plan and with the agricultural policy, priorities have been clearly established. These priorities encompass agriculture and cattle raising and seek to improve the situation of the poor, to produce basic foodstuff, to feed the people, to increase the domestic market, and to ensure its supply. The small farmers feel it is necessary to clearly define agricultural goals and to create policies on credit, prices, investments, stockpiling, and storage that may serve as guides for their decisions and activities. [passage omitted] [end recording]

In his weekly radio program "Chatting by the Radio" President Sarney today said that the new agricultural plan is of interest to the small farmers as well as for the consumers who are facing supply difficulties. Sarney added that the plan will grant agriculture permanent rules of defense, security, and assistance:

[Begin recording] Farmers will now be able to plan their activities a year or more ahead because they will be protected by minimum prices, which will guarantee their production, and mainly because, farmers will be insured against floods, droughts, or other problems that can affect this sector. Brazil now has a new national agricultural policy. The state owed the farmers measures like the ones announced. While industry, commerce, financial, and services activities were regulated by stable, permanent, and well-defined rules, our farming sector always awaited improvised policies. In general, government regulations, prices, and guarantees were not issued on time, but always at the last minute. Only then did the farmer know if it would be worthwhile to plant. We do not want this situation to continue. With our economic stabilization plan and the new horizons of the Brazilian economy, it is now possible for Brazilian farmers to plan their crops ahead, even up to 2 years ahead, considering the guarantees offered by the government. [end recording]

Afterward, President Sarney spoke of the creation of a rural savings account.

[Begin recording] Also, in order to grant the farming sector independent and safe resources, we announce the creation of savings accounts called the green savings account [caderneta verde], that is, a savings account paying ineterst and monetary adjustment, just like a normal savings account. This green savings account will be meant for the farmers and will be managed by the Banco do Brasil with the resources deposited used by the bank to grant farming loans. The farmers can be assured that Brazil now has a defined agricultural policy. What we wish is to give security to the rural producers. [end recording]

Finally, President Sarney explained that the new measures represent considerable progress toward solving the farming problem and that the main objective is to improve the Brazilian people's lives. The President also appealed to the people to contribute to the polio vaccination campaign tomorrow.

FOURTH, LARGEST ARSENAL DISCOVERY ANNOUNCED

PY160045 Santiago Domestic Service in Spanish 2300 GMT 15 Aug 86

[Text] The largest clandestine arsenal was discovered at the beginning of this weekend in the northern section of the country. This is the fourth recent discovery of weapons, ammunition and explosives in the 3d Region. Along the coast of this region, security agencies, working together with the Armed Forces and Carabineros, discovered an important subversive camp.

The latest official reports indicate that some 15 persons are being held at La Serena for their connections with extremist activities. Several of these persons have received guerrilla training in Cuba, according to the authorities. Three leaders who had managed to escape the first dragnet have also been arrested. The first arsenals were discovered near the beaches of Caleta Carrizal Bajo and Palo Negro. Other arsenals were found hidden in semi-abandoned mines and in Huasco Bajo. Now, Copiapo Domestic Service will provide a detailed report on the new arsenal that contained arms, explosives and ammunition.

[Begin relay] An enormous new arsenal was just discovered by the authorities in yet another part of the 3d Region, a hill called Cerro Blanco, in the area of (Sierra del Sapo), some 96 km from Copiapo. The arms were hidden in caves similar to those miners use. Army and Carabineros, working together with security forces, found a great deal of firearms, explosives and ammunition, this is the largest discovery made within the framework of investigations that started with the finding of arms and explosives in Caleta Carrizal Bajo and Palo Negro.

The new discovery was found 180 km from the coast in a hilly area northeast of Copiapo. The Copiapo Domestic Service team was the first to arrive at the site to record the enormous quantity of material that international terrorists have brought into this area: 1,940 hand grenades; 650 U.S.-made M-16 rifles; 80 new Soviet-made Katiushka rocket launchers equipped with night scopes; 315 rockets for the lauchers, 800,000 rounds of M-16 ammunition; 112 rolls of P-4 plastic explosives; 239 packages of TNT; various types of fuses; FAL rifles; and a quantity of various clips for guns.

We would like to repeat that all this was discovered in caves carefully covered by boards and dirt and not easily accessible. We can also add that searches continue in the area in the hope of finding more arms. This arsenal, discovered 96 km from Copiapo, is the largest found since 1973. [end relay]

FPMR, MIR Deny Arms Ownership

PY151325 Madrid EFE in Spanish 0739 GMT 15 Aug 86

[By Fernado Rueda]

[Text] Santiago, 15 Aug (EFE) -- The two main armed groups fighting against Pinochet's regime have stated that the huge arsenal of arms and explosives recently discovered by security forces does not belong to them.

The denials were made in anonymous telephone calls to the EFE office by individuals who claimed to be spokesmen for the Manuel Rodriguez Patriotic Front (FPMR) and for the Movement of the Revolutionary Left (MIR).

These two Marxist groups, which are responsible for hundreds of terrorist attacks, have thus denied government reports that the material found in several underground caches on the Chilean coast belonged to the FPMR.

Among the weapons discovered are 1,045 U.S. M-16 automatic rifles with 360,000 5.56 mm cartridges, 1,996.5 kg of explosives (TNT and T-4), Soviet-made hand grenades, Soviet-made Katiuska RPG armor-piercing rockets; and large quantities of detonators, fuses, and similar supplies. According to official sources, among the items found were advanced telecommunications equipment, diving equipment, generators, air compressors, tools and spare parts for maintenance of manual and electronic equipment, first-aid supplies, and enough canned food supplies to feed 30 men for 50 days. All these items were shown to the press and inspected by General Augusto Pinochet.

The arms, explosives, and other items had been introduced into Chile by Soviet trawlers and were stored in various places of Carrizal Bajo, 750 km north of Santiago, according to the National Intelligence Center (CNI, the political police). The CNI also claimed that there was evidence that the MIR's foreign branch was devoted to procuring resources (arms, equipment, training) and then to distributing them to "violent Marxist groups," among which it mentioned the FPMR.

In the anonymous calls to EFE, the alleged spokesmen of the two groups said their organizations have nothing to do with each other, and the arsenal found and seized by Chilean security services did not belong to them.

The first telephone call was received by EFE's Santiago office from an unidentified individual who said he was a MIR representative, and claimed that the MIR was responsible for several bomb attacks during the last 2 days in Santiago. The alleged MIR spokesman added that the "actions of sabotage" were conducted to celebrate the 21st anniversary of the founding of his organization, which advocates popular war as the only way to achieve socialism. Asked about the alleged MIR links to the FPMR and MIR participation in obtaining the foreign war materiel discovered in the clandestine arsenal, the unidentified individual categorically denied such links or participation.

A few hours later, another anonymous telephone call was received by EFE. This call was from an anonymous FPMR spokesman, who read an official communique from that organization which was created only 2 and 1/2 years ago to conduct an armed struggle against the Pinochet regime and which promised to disband after Chile recovers full domocracy. The FPMR, which is named after a Chilean independence patriot, also categorically denied any links to the arsenal discovered on the coast, saying it is "a clumsy farce." The spokesman added: "We do not know most of the alleged FPMR members who have been arrested" in relation to the discovery of the arsenal.

After reading the official communique and in answer to a question from EFE, the spokesman reiterated that the FPMR has no links whatsoever to the MIR, although it sympathizes with it on some points.

Seguel Questions Arms Report

PY151738 Madrid EFE in Spanish 1437 GMT 15 Aug 86

[Text] Lima, 15 Aug (EFE) -- Chilean union leader Rodolfo Seguel today stated in Lima that he has serious doubts about a Chilean Government report on arms shipments unloaded in Chile by Soviet ships.

Seguel said: "We do not believe anything the dictatorship says. This report might be true, but government officials have time and again lied to us, and no one believes them any more." Seugel said that in Chile no one watches the television newscasts anymore and that the people now call the "60-Minute" newscast, "the 60 lies.'"

Seguel added that the government has blamed Marxism for anything that goes wrong. He described the Chilean situation as "dramatic, as a result of the repression exercised by the Armed Forces, which have thus lost credibility in the eyes of the people, who no longer believe them."

Seguel said Chilean Foreign Minister Jaime del Valle was wrong when he said 90 percent of the countries in the world are against Chile. This is not so, Seguel said, they are against the government of General Augusto Pinochet. All nations have rejected the military dictatorship and the desire to restore democracy in Chile "is steadily growing."

The Chilean left has radicalized, Seguel said, because its aspirations have not been fulfilled. He added: We believe the Communist Party leaders will encourage party members to seek democracy without resorting to violence.

FEUSACH PRESIDENT SAYS MARTINEZ MURDERED

PY172354 Buenos Aires TELAM in Spanish 0336 GMT 17 Aug 86

[Excerpts] Santiago, 16 Aug (TELAM-EFE) -- Eugenio Rivera Campos, president of the Santiago University Students Federation (Feusach), charged today that university leader Mario Martinez was murdered.

According to the charges published in the newspaper TERCERA DE LA HORA, the crime may have been committed while Mario Martinez Rodriguez was investigating the security apparatus at Santiago University for its connection with the case of the two youths who, according to eyewitnesses, were set ablaze by a military patrol on 2 July. [passage omitted]

The Feusach president said the late Mario Martinez Rodriguez "had the mission of discovering and confirming who was in charge of the security apparatus that has been set up on the university campus," and he managed to gather information liking this apparatus to the case of Rodrigo Rojas Denegri, who died of burns on 6 July, and Carmen Gloria Quintana, who was also burned.

The Feusach president said that a few days before his death, Martinez had learned some details about the filming of a videotape delivered to television channels by Chilean authorities.

In that videotape, the burned girl Carmen Gloria Guintana, who is a student at this university, was apparently seen distributing Molotov cocktails during a student demonstration. This videotape was intended to support the first official report on the burning of the two youths, which said the incendiary devices they were carrying had caused the tragedy.

Feusach President Eugenio Rivera Campos asserted that because of what Mario Martinez Rodriguez had learned, he began to receive death threats and to be followed on the streets. Therefore, Martinez filed with the courts a request for protection, which was disregarded by the judge. [passage omitted]

Eugenio Rivera Campos reported he is now receiving threats and is being followed, and for this reason he filed with the courts a request for protection on 14 August.

CARABINEROS TO RECEIVE PROMOTIONS, APPOINTMENTS

PY051851 Santiago EL MERCURIO in Spanish 30 Jul 86 p C 1

[Text] Carabineros Director General Rodolfo Stange Celcker yesterday announced the new Carabineros High Command structure.

At the same time, he announced the Carabineros Under Directorate ceremony of installations, promotions, and retirement of officers will be held at the Carabineros School on 31 July at 1100.

Inspector General Oscar Torres Rodriguez will be installed as Carabineros under director. He will be replaced as order and security director by Inspector General Jorge Portilla Carvaja, who has been chief of the 2d Inspection Zone in Antofagasta.

General Manuel Mardones Rodriguez will be installed chief of the 3d Inspection Zone, which runs from Santiago to Talca.

Inspector General Jorge Veloso Khtoias has been appointed welfare director; Inspector General Claudio Calderon Moraga logistics director; Inspector General Leonidas Venegas Guzman personnel director; Inspector General Pedro Asanueva Ulloa director of the Superior Advisory Council; General Alfredo Nunez Allende under director for special police matters; and General Sergio Controneo Concha chief of the 2d Inspection Zone.

The following generals have been promoted to the rank of inspector general: Leonidas Venegas Guzman, Pedro Casaneuva Ulloa, Jorge Portilla Carvajal, and Claudio Calderon Moraga; and the following colonels to generals: Alfredo Nunez Allende, Sergio Cotroneo Concha, Manuel Mardones Rodriguez, and Jose Ayuayo Lobo. Ayuayo Lobo will hold a post in the Carabineros Cabinet until being appointed to another post in the future.

PRESIDENT EXPLAINS FORMATION OF LIBERAL CABINET

PA160413 Bogota EL SIGLO in Spanish 13 Aug 86 p 1

[Text] As a result of the meeting held by President Virgilio Barco Vargas with his ministers, which took place at the Narino Palace, the press secretariat of the presidency issued the following statement:

The government has appointed a cabinet formed by 12 Liberal ministers and a high-ranking official of the Armed Forces. Those appointments are made in accordance with Article 120 of the Consitution and by virtue of the Conservative Party Board of Directors' decision to participate in the Executive Branch. Thus, the Colombian president had the authorization to freely form his government. By assuming their responsibilities as members of the political opposition, the legitimate conservative authorities contributed considerably to the initiation of a new historical phase in the relations between the government and the oppossition parties. The government is committed to the highest interest of the nation and consequently, the ministers' conduct, as well as that of all authorities and officials, should strictly reflect a true nationalistic spirit of service to the community.

Narino Palace, 12 August 1986

CONSERVATIVES AGREE TO TECHNICAL PARTICIPATION

PA150206 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 15 Aug 86

[Excerpt] Bogota -- The Conservative Party has agreed to participate in the technical aspects of the government. After a very lengthy meeting, the National Conservative Directorate yesterday drafted a document they will present today to President Barco.

The directorate basically reaffirms the criteria contained in a document released at the beginning of the government on the Conservative Party's decision not to participate in the political aspects of the current government.

However, the Conservative Party decided it cannot block or veto the participation of its technicians in the administration. If the government or the president believe they need the technical support of Colombians who happen to be Conservatives, the directorate cannot prevent or block those appointments, a directorate member said. The directorate spokesman noted that the Conservative position on not participating politically remains unchanged. The question concerning Conservatives' technical participation has been answered. The first Conservative appointed to a technical post is Francisco Ortega, general manager of the Bank of the Republic.

Asked about the political positions and administrative [word indistinct], our source replied: Those that President Barco decides. If the government appoints a Conservative to a position, it will be because the position is technical in nature, and the directorate will not veto such an appointment, he added.

The Conservative Directorate will inform President Barco Vargas about its decision today. This decision was reached after nearly 10 hours of deliberations. The message will contain the criteria on the government-opposition system which has been in force since the president took power in the wake of the Conservative Party's refusal to participate in the Executive Branch. [passage omitted]

EDITORIAL VIEWS LIBERAL PARTY GOVERNMENT

PA151305 Bogota EL SIGLO in Spanish 7 Aug 86 p 5

[Editorial: "The Logic of Events"]

[Text] All events have their logic and consequences unless some change of course takes place leading to different results. One cannot attempt to place all the premises in order or indissolubly link them and marvel later because they lead to conclusions. That is how the current political process has been working. There are no surprises. Each step comes as result of the previous one.

In the past 30 years, the country moved in a climate of coexistence. Since the National Front was created, the parties employed a style that allowed political tranquillity and institutional reinforcement. There were clear rules of the game which the parties agreed on and respected. We managed to consolidate a democracy with its own characteristics, attuned to our system, which could be viewed as a model in the political lives of contemporary countries. The guidelines which those mechanisms of understanding propitated were combined with the facilities for the diverse currents of thought to freely move within a broad democratic spirit.

The country is accustomed to the calm atmosphere. It has enjoyed that atmosphere from the time the agreements between our two great parties went into force until today. It has been an experience for which all Colombians are deeply grateful.

The modes employed have been diverse. First, when we were barely coming out of that era of rude clashes among the sectors of our society, the guidelines were established to make these sectors agree on the formulas to put the country on the right course. When the advantages of this system became evident and new generations educated within this spirit entered politics, new and more flexible rules were established, always aiming to preserve the national spirit of the government. This spirit is not something that can be accepted or dissolved to suit each administration. It constitutes an imperative imposed by the nation which wants to preserve it and a mandate expressly stated in the Constitution.

In the past electoral campaign the Liberal candidate expressed his decision to establish a party government. His decision was expressed with unequivocal clarity at all times.

When the Liberal candidate won, his ideas also won. The country was facing a party government, a Liberal Party Government, of course. When no other corrections, additions, clarifications, or interpretations regarding those views, were introduced the possibility of Conservative participation vanished. The consequences were obvious. They were evident before the elections. If the idea was to establish a party government or even if there was talk of implanting a "Liberal republic", Conservatives were faced with the possibility of accepting a participation which chiefly seeks to achieve those goals. There was never any explanation on how it would be possible to reconcile that stance with the participation of members of other parties in the executive. There was nothing that could explicitly or implicitly envisage a way out. Even if they were appointed, the Conservatives would not have political responsibilities within the new government. Their presence would merely have a bureaucratic sense. That contributes nothing to preserving the national spirit our Constitution demands. This spirit does not rule because people want it but because it is mandated in the Constitution.

The meeting of the National Conservative Directorate with the president-elect did not contribute any new element to analyze the situation. We are facing the implementation of a new party government, as was announced before the elections, was reaffirmed through them, and has been repeated at all times since. There has not been an inch of progress in either sense, and there has not been the slightest clarification as to how this can be reconciled with Conservative participation. The stance adopted by the Conservatives is the logical development of facts that are clear to the entire nation. These are eloquent facts. They speak for themselves without needing interpretations. Moreover, absolutely nothing was done that could lead to another interpretation.

MINISTER CEPEDA ULLOA ANNOUNCES NEW GOVERNORS

PA170438 Bogota Television Service in Spanish 0100 GMT 17 Aug 86

[Text] We shall now give you the names of the new governors. Among them are eight economists, seven lawyers, seven civil engineers, four business administrators, one doctor, one chemist and one zoologist. [all numbers as heard] The decree was issued about an hour ago. President Virgilio Barco, who has been in Cartagena since yesterday, worked on the governors' slate there and was in constant contact with Government Minister Fernando Cepeda Ulloa. The complete list of new governors is as follows:

Antioquia	Bernardo Guerra Serna
Atlantico	Fuad Char, ratified
Bolivar	Ramon del Castillo Restrepo
Boyaca	Alvaro Gonzalez Santana
Caldas	Fortunato Gaviria Botero
Caqueta	Cornelio Penagos
Cesar	Maria Ines Castro de Ariza
Cordoba	Hector Lorduy Rodriguez
Cundinamarca	Manuel Guillermo Infante
Choco	Eva Maria Alvarez de Collazos
Guajira	Jairo Alfonso Aguilar Ocando
Huila	Rodrigo Manrique Medina
Magdalena	Rodrigo Pimienta Gonzalez
Meta	Jorge Ariel Infante Leal
Narino	Mercedes Apraez
Norte de Santander	Eduardo Asad Aljure
Quindio	David Barros Velez
Risaralda	Favio Villega Ramirez
Santander	Alvaro Beltran Pinzon
Sucre	Nelson Martelo Martelo
Tolima	Guillermo Alfonso Jaramillo Martinez
Valle del Cauca	Manuel Francisco Becerra Barney

Government Minister Fernando Cepeda said that after a careful analysis of the situation in each department, the selection of new governors was made. The only exception was in Cauca Department, where it was not considered appropriate to change governors because agreements are currently being signed to solve social problems that have adversely affected the region within the past week.

BARCO 'NOT IMPRESSED' BY GUERRILLA THREATS

PA141516 Bogota Emisoras Caracol Network in Spanish 1215 GMT 14 Aug 86

[Text] President Virgilio Barco has said he is not impressed by the recent actions conducted by the guerrillas. He trusts new government actions to cope with the subversive challenge will make it possible to disarm the [words indistinct].

When swearing in the new defense minister and receiving the greetings of the troops, the president said neither the executive branch nor the Armed Forces will be alarmed by any threats. He explained that his administration is studying the means to cope with this new challenge of the subversives to achieve peace and tranquility.

Rebels Announce Opposition

PA161756 Hamburg DPA in Spanish 1725 GMT 16 Aug 86

[Text] Medellin, 16 Aug (DPA) — Six Colombian guerrilla groups, members of the so-called National Guerrilla Coordinating Board (CNG), have announced their opposition to the new government of Liberal President Virgilio Barco and announced that they will continue kidnapping people "to finance the organization."

After a summit meeting held by the armed movement in Anori, 175 km northwest of Antioquia Department, the guerrillas vowed not to commit crimes such as blackmail and extortion but to use kidnapping as their method.

The report was disseminated by the CARACOL radio network in Medellin. One of the CARACOL newsmen was kidnapped by the guerrillas.

Leaders of the M-19, the National Liberation Army (ELN), the Revolutionary Workers Party (PRT), and the Revolutionary Guerrilla Movement (MGR) were among those who attended the CNG meeting.

They also said they were not declaring war on the new government because they said they feel the country has been in a belligerent status for many years. However, they said they will be part of the opposition.

BRIEFS

AMBASSADORS APPOINTED -- President Virgilio Barco yesterday appointed officials who will work with the current administration, including some ambassadors who were ministers during the Belisario Betancur administration. Former Justice Minister Enrique Parejo Gonzalez was appointed ambassador to Hungary, former Government Minister Jaime Castro to the United Nations, former Police Director General Victor Delgado Mallarino to Algeria, and former Defense Minister General Miguel Vega Uribe to Portugal. Another appointment announced yesterday was that of Fernando Botero Zea as the new deputy government minister. [Summary] [Bogota EL TIEMPO in Spanish 12 Aug 86 p 8A PA]

FEBRES CORDERO DEFENDS ECONOMIC MEASURES

PA151541 Quito Voz de los Andes in Spanish 1130 GMT 15 Aug 86

[Text] President Leon Febres Cordero stated today that the economic measures issued by the Monetary Board are drastic but necessary and emphasized that they are not the only advisable measures to adequately face the crisis.

He added that to help the people endure the crisis, he will propose to Congress an increase of salaries and wages in accordance with the country's possibilities and conceded that the [word indistinct] prices had been frozen, regardless of approval.

The president said the constant reduction of oil prices on the international market has worsened the country's situation, and for this reason the decision was made to implement a new economic plan at the lowest possible social cost.

He added that these measures were essential because the state is no longer receiving $1.1 billion from oil exports. Febres Cordero said that although this is a national problem concerning all Ecuadoreans, the opposition's statements give the impression that Congress is an island that is neither affected by nor has any effect on the crisis. He noted that the opposition continues to criticize instead solve the nation's problems. Febres Cordero denied that with these economic measure the government has given priority to the payment of the foreign debt, disregarding national problems. He explained that the plan that has been drafted will first allow the government to meet the needs of the Ecuadoran people and then to pay international banks.

He admitted that the measures will have a social cost and noted: Why deceive the people by telling them that we are going to pull out of this crisis -- which is the worst in our history -- without any cost? However, he stressed that he is doing everything possible to keep the social cost to a minimum.

FOREIGN DEBT AGREEMENT SIGNED IN NEW YORK

PA161225 Quito Radio Quito in Spanish 2300 GMT 15 Aug 86

[Text] Ecuador has signed an agreement with its creditors which unifies its entire public and private debt and substantially reduces the interest rate on that debt. The agreement was signed today in New York by Patricio Boada, manager of the foreign debt department of the Ecuadoran Central Bank; Gonzalo Zambrano, legal adviser, (Victor Esman), manager of New York office; and 12 members of the banking committee. This committee represents 320 private institutions, headed by Lloyds Bank International, which are Ecuador's creditors. With this new agrement, Ecuador will pay a single interest rate for its entire foreign debt, which is $5.5 billion with private banks. The interest rate will be 2.5 percent less than that agreed on during the negotiations in 1983.

STROESSNER ADDRESSES CABINET, GENERALS

PY160058 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 1600 GMT 15 Aug 86

["Impromptu" speech by President Alfredo Stroessner to Cabinet members and senior officers at Government House on 15 August following a military parade marking the 449th anniversary of the city of Asuncion -- recorded].

[Excerpts] I would like to thank General Rodriguez for his eloquent words, and I am very pleased to hear him speak in these terms, because it is what all of us here believe in. In also thank you Messrs Generals, and all others gathered here for your unscheduled appearance in my office. [passage omitted]

This is a joyful day. We have just watched a brilliant military parade, which confirms the peace that prevails in our country. This peace is a treasure that must be closely safeguarded. [passage omitted]

It is this peace that enables our country to develop. It is not that peace is merely the absence of war, as someone has said. The truth is that the pcace we enjoy allows our people to work and study, and allows our country to achieve more things. [passage omitted]

I would also like to note that there is a small opposition group which is against the nation's development. When this group was in power our country lived in backwardness. It is this same group that said that to build the Acaray Hydroelectric Dam was to mortgage the country's future. This is completely false. They said the same thing when we built the Friendship Bridge [uniting the Brazilian and Paraguayan cities of Foz do Yguazu and Puerto Presidente Stroessner]. They said that the location of the head of the bridge violated our nation's sovereignty since it was established on our side of the river. The truth is that today this bridge no longer suffices. We need to build another bridge, because the old one cannot handle the huge flow of traffic.

We have done many things, and what we are doing now does not mean that we are mortgaging the nation's future. On the contrary, we are helping to develop our country. We still plan to build the soybean railroad, which will cost about $400 million. We are thinking about implementing this project. This is one of many important national projects. Our country will be far better off 40 or 50 years from now. [The cost of this soybean railroad] will be paid by what we are going to save in the price of fuel alone.

After one more of so many years in government, I refer only to the last period, because if I counted all the others there would be too many, I can assure you that I have the same patriotic spirit, the same spirit of a Colorado party member. I hope I will be able to continue like this, and I pray that God will accompany me, as He has always accompanied me, and I that He will accompany all of you so that all of you will be strong. We are not going to be weak, because weaknesses have resulted in great evils to this country: attempts at violence, revolutions, and even international war.

Right now we are in good condition. We of course will not satisfy everyone, but we do have a democratic government, a government that is of the majority. [passage omitted]

We know that our Colorado Party is a great party. There may be some bitterness, but this affects the weak, those who want to flirt with the opposition, who seek notoriety -- you already know to whom I am referring, a few who really have no power -- this is why we are with the people and for the people and why we shall continue to work for them.

I also hope that the barracks will always be firm bastions of the peace and development our country enjoys.

I thank you very much for your presence, and I hope that each of you will be firm in your resolve. We are not going to yield, as some charlatan's statements are published in [opposition newspapers] SENDERO, EL PUEBLO, or other newspapers, because we shall not be afraid of the opinion of one person. No, not at all. We are strong.

Let us go forward, and I hope you will all be strong, dedicated, and intelligent, so as to continue on the good path the country has been following and so that the country may have a prosperous future.

Thank you very much for your presence. [applause]

GARCIA MEETS UNION LEADERS, COMMENTS ON IMF

PY160221 Paris AFP in Spanish 2057 GMT 15 Aug 86

[Text] Lima, 15 Aug (AFP) -- President Alan Garcia today said Peru offered to pay the IMF $35 million of the $190-million debt that is due to show we acknowledge the debt but at the same time prove we are not going to sarifice Peruvian reserves.

We have told the IMF that we are sending them whatever we can. If they accept it, so much the better, added Garcia. He said, however, that according to information he has received, the IMF had decided to declare Peru ineligible for new loans. Garcia made this remark at Government House when he received a group of union leaders from seven countries attending a meeting on foreign debt in Lima.

Chilean Rodolfo Seguel, president of the National Workers Command, former Colombian Labor Minister Jorge Carrillo Rojas, Argentine Alberto Campos, and Gumerciando Bueno from Bolivia were among those received by President Garcia. Labor leaders from Brazil and Ecuador also attended the meeting.

Garcia Has 'No Fear' of IMF

PY161512 Madrid EFE in Spanish 0300 GMT 16 Aug 86

[Excerpt] Lima, 15 Aug (EFE) -- Peruvian President Alan Garcia said today that IMF theories "cannot be applied to or accepted by the poor peoples of Latin America" and stated he has no fear of "ghostly figures, paper tigers, threats, and declaration." Garcia said this to a group of Latin American labor leaders while the IMF was declaring Peru "ineligible" for new IMF credits for not having met its payment obligations. On 12 August Peru paid only $35 million of the $196 million it owes. In reply, the IMF Board made a decision that the Peruvian Government itself seemed to take for granted.

Garcia said: "The meaning of the IMF declaration is more important than the credits themselves, because the credits have always been used to pay earlier debts, and there has been a merry-go-round and recycling of old debts with ever-increasing interests."

The Peruvian president, who called the IMF "the great overseer and guardian of imperialist economy and international capitalism," said his country cannot surrender its economic sovereignty by permitting itself to be governed by letters of intent or a theory belonging to the past, of its elected government.

Garcia stressed: "We cannot accept that the economy of the nation be strangled to satisfy foreign demands, which may be supported by legal documents but which historically have no moral support." The president made it clear that a government cannot sarifice its people for the sake of rates of interest fixed in New York or London. He added: "It should be understood that our working people are more important to us than the interests of a few holders of saving accounts -- who have rights -- but to whom this decision will not mean tuberculosis, criminality, subversion, or hunger."

This blocking of credits places Peru among a small group of countries including: Liberia, Vietnam, the Sudan, and Guyana. [passage omitted]

Denounces IMF Before Crowd

PY170216 Madrid EFE in Spanish 0031 GMT 17 Aug 86

[Text] Lima, 16 Aug (EFE) -- President Alan Garcia today told Peruvians that they "have the obligation to be with me at this time" in a speech delivered from the balcony of Government Palace. He made this comment in answer to the IMF decision yesterday declaring Peru ineligible for new credits.

Garcia talked for 1 hour to thousands of people summoned by the APRA [American Revolutionary Popular Alliance] to the Plaza de Armas in Lima. In a vibrant and effective speech, Garcia labeled the IMF as "financial police and the guardian of the creditor countries."

Yesterday, Peru was declared ineligible for new credits from IMF after the country paid only $35 million of the $196 million of its matured debt. President Garcia said: "Democracy means sharing," and added, " I am not the only one affected. We are all in this together."

The theme of the presidential speech was a continuous exhortation for solidarity, perseverance, and unity among all Peruvians regardless of political ideology, "because we have faith in our abilities, and we will not allow our faith to be taken away from us."

The IMF decision puts Peru in a small group of countries like Vietnam, the Sudan, and Guyana. It is possible the credit ineligibility will affect not only IMF credits but also loans from other financial sources.

Garcia said that the Latin American countries, including Peru, have "an economy that is distorted by the low prices paid for our products. Where then are we going to get the money to pay our foreign debt?" The president pointed out that a few months ago the price of oil was $25 a barrel, now it is only $11; silver was $11 per ounce, now it is only $5. He gave these as concrete examples that affect Peru. According to official Peruvian economic sources, 1986 exports -- which were forecast to be $3.1 billion -- will be $2.5 billion as a result of the fall of oil, copper, and silver prices.

The president also called on the people not to let themselves be overcome by pessimism and discouragement. He said: "We must learn to confront problems now in order to achieve independence and development in the future."

"We are not making a big show of being shocked, because we are aware of IMF injustices. We merely gave a serene national and anti-imperialist answer instead of being provoked," said the president. He reiterated that although the country is not refusing to pay the foreign debt of $14 billion, it will not pay at the risk of sacrificing the country's development.

He added: "Under current circumstances, Peru must follow a different path because the debt problem is basically a system of domination and economic penetration."

Garcia rejected the IMF conditions that Peru sign a so-called "letter of intent" to reach an agreement with the creditor countries. He added: "We have avoided the protection" of those letters "so that we could control our own economy." He pointed out that the IMF formulas "are failures, which have impoverished us." He added: "The answer we received lacks sensibility and understanding. The IMF has the inhuman logic of closing its ears to the poor people of the earth."

The president -- who before he spoke was greeted with shouts of "Alan, hit the IMF hard," or "Alan, listen, the people are with you" -- rejected the idea expressed by some commentators that Peru has isolated itself by not fulfilling its obligations to the IMF. Garcia said: "No good Peruvian can say that. We need to isolate ourselves from injustice and exploitation in order to be with the people," and "we are in solidarity with the people of Latin America, with the Argentina of President Alfonsin, and with the Mexico of President De la Madrid."

In conclusion, the president said: "We are going to move forward with all Peruvians. Do not leave me alone, because I am never going to abandon Peru."

Central Bank President on IMF

PY160300 Paris AFP in Spanish 0234 GMT 16 Aug 86

[Text] Lima, 15 Aug (AFP) -- Leonel Figueroa, president of the Peruvian Central Bank, stated here tonight that the relations between Peru and the IMF are as normal as before, but with a notable, little difference [pequena gran diferencia]. The difference is that we no longer have access to IMF funds, Figueroa added.

In a press conference he held tonight, Figueroa commented on IMF's decision to declare Peru ineligible for new loans. He said this decision will have no consequences for the country's economy or for Peru's relations with its other creditors. Figueroa stressed this decision contains a significant change in the treatment the IMF usually gives to nations that fail to fulfill their obligations and are declared ineligible. The IMF decision concerning Peru states the ineligibility will be suspended automatically as soon as the country repays its debt. Figueroa pointed out that in the past, for a country declared ineligible to recover its rights, three steps had to be complied with: Pay the debt, await the subsequent IMF decision, and promise to fulfill several conditions. He also said the IMF board had agreed to reexamine Peru's situation at its meeting scheduled for January 1987.

Peru's current outstanding debt with the IMF amounts to 139.9 million SDR's (Special Drawing Rights), approximately $168 million. By January 1987, the debt will be 160 million SDR's, Figueroa said. He added that the payment of $35 million Peru made this week was not made so that it could negotiate its eligibility, but to show its willingness to pay to the extent possible. The government laments the IMF decision, but it will maintain its policy of allocating its resources for development rather than paying foreign debts.

Our differences with the IMF are a matter of viewpoints as far as the debt and the consequences of the conditions the IMF imposes are concerned. In the light of this decision, Peru has chosen to maintain its economic sovereignty, Figueroa said. He also reported having received messages from creditor banks stating that they still plan to negotiate the debts Peru has with them next month. Figueroa added the negotiations with creditor governments will be handled basically at the bilateral level.

Our trade will not suffer, Figueroa said, because the government maintains its decision to keep paying its short-term debts. In fact, he said, short-term commercial credits have gone up lately, from $150 million in September last year to $310 million now. The president of the Central Bank (responsible for issuing the currency) also stated that Peruvian exports should not be affected.

He emphasized that the IMF decision would not affect loans already approved by the World Bank and the IDB, amounting to some $500 million with each institution. However, he said that with the World Bank, Peru will renegotiate a rescheduling of the projects the World Bank loans will finance in order to adjust them to the list of development priorities and to facilitate the disbursement of the loans.

WAGNER: GDR NOTE 'STEP IN THE RIGHT DIRECTION'

PY151534 Lima Panamericana Television Network in Spanish 0315 GMT 15 Aug 86

[Excerpts] The GDR Government has made an ambiguous statement on the Pia Vesta case about an arms shipment from the GDR brought close to our shores. [passage omitted]

Tonight, Foreign Minister Allan Wagner confirmed that the GDR Government has answered the Peruvian Government's protest note about the Pia Vesta case.

[Begin Wagner recording] The response of the GDR ambassador states that in view of our request, the GDR Government continues to conduct a detailed investigation into the participation of two GDR enterprises in this case. Regarding the sale of the equipment and armaments by the GDR state enterprise, (Imes), to the Swiss company, Yufag, the GDR ambassador said that according to the investigation, (Imes) acted in good faith, although he admits the possibility that (Imes) may have been deceived by the Yufag Company regarding the final destination of the armaments.

We believe this answer to the protest note we delivered on 12 August is a step in the right direction by the GDR, which will eventually provide the information necessary to make a judgment regarding this case. This case has justifiably created concern for the government and the people in general. [end recording]

Denies Pia Vesta Arms Bought

PY151857 Madrid EFE in Spanish 0318 GMT 15 Aug 86

[Excerpt] Lima 14 Aug (EFE) -- Peruvian Foreign Minister Allan Wagner today labeled "ridiculous and absurd" the comment by a U.S. businessman in Miami that the arms shipment carried by the Danish vessel Pia Vesta was purchased by the Peruvian Navy and Army.

War Minister General Jorge Flores stated the report is "false" and the Army has at no time purchased any armaments "especially in a surreptitious manner."

After meeting with President Alan Garcia, Foreign Minister Wagner indicated that Interior Minister Abel Salinas and Navy Minister Vice Admiral Willy Harm are volunteering to testify before the secret Congressional investigation of the Pia Vesta case. Wagner pointed out that he is waiting for the Senate to set a date for him to provide details "on the current status of the investigations of the complex case, which is typical of illegal arms traffic." [passage omitted]

GARCIA RECEIVES AMNESTY INTERNATIONAL MISSION

PY151726 Paris AFP in Spanish 1752 GMT 14 Aug 86

[Text] Lima, 14 Aug (AFP) -- Amesty International Secretary General Thomas Hammarberg, who today left for Ayacucho -- the stronghold of the Andean guerrillas -- to investigate human rights violations, described as very constructive the talks held last night with President Alan Garcia.

Hammarberg said the Peruvian chief executive, who held a 90-minute conversation with the Amnesty International mission at Government Palace, agreed with the Amnesty International position against any excesses against human rights and disappearances. President Garcia told the Amnesty International mission that whenever he learned about killings, as with the Accomarca (Ayacucho) case in which more than 40 peasants were killed last year, the authorities immediately adopted the appropriate measures to conduct thorough investigations and then followed them up with the appropriate court proceedings.

Hammarberg, who is accompanied by Michael McClintock, the Amnesty International investigator for Latin America, said the president informed them of the substantial decrease in the number of disappearances. Nevertheless, there were new cases of disappearances last year, and there are 80 cases which have not been resolved yet.

During the meeting the president stressed the huge problems his government is facing to combat terrorism. Hammarberg stated for that reason he told the president the world outside Peru and his organization are also aware of this problem. The Amnesty International official noted that of course the dilemma is to combat terrorism without human rights, which was the reason for the meeting. He also said they reviewed what measures the government may approve to confront the terrorist problems.

Hammarberg stated he and the Peruvian chief executive discussed the killing of some 300 terrorist inmates during the prison uprisings that occurred in Lima and Callao on 19 June 1986. The president reported that 124 inmates were executed by the police after they had surrendered.

The Amnesty International mission in Ayacucho, 575 km southeast of Lima, which has been in a state of emergency since 1983, will conduct on-the-spot investigations into reports of disappearances, illegal executions, and other human rights violations.

Hammarberg, who has been in Peru for the past 4 days, will go to Puno, 1,314 km southeast of Lima, after visiting Ayacucho.

GOVERNMENT PUTS SECURITY FORCES ON ALERT

PY162025 Buenos Aires TELAM in Spanish 1830 GMT 16 Aug 86

[Text] Lima, 16 Aug (TELAM-ANSA) -- The intelligence services of the Peruvian Government have detected a large subversive plan that may be carried out in the next few hours by subversives of the Shining Path or the Tupac Amaru Revolutionary Movement (MRTA) in Lima. Because of this situation, the government of President Alan Garcia Perez has ordered all security forces to remain on maximum alert this morning.

Through coded radio signals, Army troops and special police detachments were ordered to deploy their forces through the different districts of the capital while on the outskirts of Lima, on the Panamericana Sur Highway, civil guard patrols took strict security measures. The general alert was sounded in all police units, while motorized Army and infantry marine troops were deployed throughout Lima and in the nearby port of Callao.

According to the intelligence services, the commercial centers and shops in residential areas may be the main targets of the subversive action. It is noted that the MRTA might try to conduct armed takeover operations and sabotage in urban areas as well as an incursion into southern Lima, in an area known as Pachacamac in the Lurin district.

DE LA MADRID MEETS WITH JOURNALISTS IN U.S.

PA150429 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 14 Aug 86

[Report by Humberto Mares from Washington, D.C.]

[Text] President Miguel de la Madrid concluded his official duties in Washington today. This morning he met with U.S. publishers and columnists and with members of the Press Club. After a short speech, he answered questions. He told the audience that his conversations with President Reagan had been satisfactory and that the two exchanged views in a sincere and constructive manner on political issues and other matters of interests.

Speaking before 400 U.S. journalists, President De la Madrid reiterated that a climate of good understanding prevailed throughout their conversations, even on matters on which they hold different views.

President de la Madrid said we must prevent biased miniority groups, on both sides of the border which do not represent the interests of our countries, from creating a climate of tension and antagonism. We should not try to encourage rumors which can only harm the good relations between our countries, he said.

I am in favor of constructive criticism, I even encourage it, because it helps prevent efforts to confuse and misinform the people, De la Madrid added.

Referring to Mexico's financial situation, President De la Madrid said the negotiations carried out with the IMF and financial institutions were the best proof of the Mexican Government's desire to keep working on a structural reorganization of the country's economy. He also referred to Mexico's entry into the GATT.

Meanwhile, U.S. newsmen insisted on asking President De la Madrid about the elections in Chihuahua and drug trafficking. President De la Madrid told them that it was not within his power to annul elections and that the electoral authorities in Chihuahua must decide the situation, according to what the Constitution establishes for such cases. He also mentioned that the church has no business interfering in politics and elections.

Regarding drug trafficking, De la Madrid insisted on the need for every country to participate in the campaign against it, but always respecting the sovereignty of countries.

Following the news conference, which lasted approximately 2 hours, President De la Madrid returned to Mexico City.

SEPULVEDA ON BALAGUER, U.S.-MEXICO RELATIONS

PA160418 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 15 Aug 86

[Text] Foreign Relations Secretary Bernardo Sepulveda Amor left at noon today for the Dominican Republic. Sepulveda Amor will officially represent Mexico at the inauguration of new Dominican President Joaquin Balaguer. The inauguration will take place 16 August.

In Santo Domingo, outgoing head of state Salvador Jorge Blanco said that Balaguer is wrong when he said he will take over a country in shambles. Salvador Jorge Blanco said that his efforts, especially in the economic field, overcame problems that afflicted the Domincan Republic when he took power in 1982.

Joaquin Balaguer, 72 years old and almost blind, will assume the Domincan Presidency for the fifth time 16 August for a 4-year term.

Lorena Martinez is now at the international airport with a report:

[Begin relay] [Martinez] A few moments ago Foreign Relations Secretary Bernardo Sepulveda Amor left for the Dominican Republic to attend the inauguration of Dominican President Joaquin Balaguer in representation of Miguel de la Madrid. Shortly before leaving, he said that with the withdrawal of the tuna embargo, the United States is acknowledging Mexico's sovereignty over its 200 miles of maritime territory. He added that the importance of handling bilateral issues on time, creating an appropriate atmosphere to resolve problems, and ensuring a climate of trust and respect between the two countries were stressed during President Miguel de la Madrid's recent visit to the United States.

Finally, Sepulveda Amor announced that among the president's activities for the rest of the year are his participation in the UN General Assembly and a probable visit to Japan and China [not further specified]. [end relay]

OFFICIALS DENY DEA AGENT MISTREATED

PA161642 Mexico City XEW Television Network in Spanish 1300 GMT 16 Aug 86

[Text] Investigations continue in the case of the U.S. DEA agent, Victor Cortes, who allegedly was mistreated by Mexican judicial agents. In Guadalajara, Jalisco, officials of the attorney general's office are making inquiries together with the local authorities.

Attorney General Sergio Garcia Ramirez congratulated and obtained the collaboration of Jalisco authorities, through Governor Enrique Alvarez del Castillo and Jalisco's attorney general, Jaime A. Ramirez.

Commenting on the case of DEA agent Victor Cortes, the Jalisco governor said that the arrest of the American is such a small incident that it cannot be reason for division between Mexico and the United States. Alvarez del Castillo added that he considers illogical the version which states that the DEA agent was tortured during his 3-hour stay in the office of the judicial police in Jalisco.

Jaime A. Ramirez, attorney general for the state of Jalisco, denied that Cortes and a colleague were mistreated. He added that they were detained as suspects because they were in a car whose license plates did not correspond to the number on the rear window sticker and because they were armed and without identity documents.

The attorney added that the U.S. agents were not even taken to cells. Instead they were in an office until personnel from the U.S. Consulate arrived 90 minutes later.

The Jalisco attorney ended by saying that once the identity of the agents was established, both were set free, and neither was tortured.

Meanwhile, in Washington, U.S. Attorney General Edwin Meese was confident that Mexican authorities would clarify the situation and take appropriate steps to prevent similar incidents.

U.S. Protests Incident

PA160356 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 15 Aug 86

[Text] As a result of the incident that occurred in Guadalajara a few days ago between a U.S. antinarcotics agent and Mexican policemen, the U.S. Government presented a protest note today to the Mexican Government. The presentation of the protest note was announced by White House spokesman Larry Speakes, who described the incident as particularly unfortunate. According to Speakes, the incident involved Drug Enforcement Agency agent Victor Cortes, who reported presumed outrages by the Mexican police. Cortes is now in Tucson, Arizona, The Mexican attorney general's office has reported that the incident is being closely scrutinized. In Guadaljara, however, the Jalisco attorney of justice Jaime Ramirez had denied that policemen abused Cortes.

CHURCH URGES ANNULMENT OF CHIHUAHUA ELECTIONS

PA180227 Mexico City EL UNIVERSAL in Spanish 15 Aug 86 p 11

[Text] For the church, the case of Chihuahua is not finished. "We feel that the best thing to do in order to have peace, is to annul the elections and to agree to hold new elections in which the will of the majority will be expressed without any pressure or obstacle."

The archbishop of Chihuahua, Adalberto Almeida y Merino; Manuel Talamas Camandari, bishob of Ciudad Juarez; and Jose Llaguno Farias, bishop of Tarahumara, announced this in "A Moral Examination of the Electoral Process," addressed to the people of Mexico and issued yesterday by Francisco Ramirez Meza, secretary of the Social Communications Commission.

They say that when the validity of an election is opposed by a general protest, the election is self-defeating "because it no longer represents the people's legitimate will." In addition, the bishops from Chihuahua State's most important cities say the elections have left doubts about the legitimacy of the authorities elected. "Any person who takes office under such conditions will face serious problems in carrying out his duties, unless he imposes his will by force, which by all means is contrary to our democratic principles," they said.

Therefore, they add, by annulling the elections, the regime would give firm evidence of its desire to respect the people's vote, and this could help to bring much needed peace and tranquillity to Chihuahua.

On previous occasions the church officials did not receive any support, even from Chihuahua's Jesuit community. This time Monsignor Almeida received a communique in which the Jesuit community is offering its support and will participate in the actions to obtain peace and justice.

PAN Continues Election Protests

PA171600 Mexico City THE NEWS in English 13 Aug 86 p 6

[By THE NEWS staff reporter Glenn Whitney]

[Excerpts] Members of the National Action Party (PAN) will move toward increasingly radical acts of civil disobedience until the results of the July 6 Chihuahua elections are annulled, a top party official said Tuesday.

Jesus Gonzalez Schmall, the PAN's congressional leader, said, "We will begin to radicalize our actions to defend democracy."

In a news conference held at the Legislative Palace, Gonzalez Schmall also announced plans to bring the annulment request to the Supreme Court. He was not optimistic about the success of a court fight to annul the elections, however, because the officials of the tribunal are nominated by the government, which is dominated by the Institutional Revolutionary Party. There is little chance for a decision in favor of the PAN, he said. [passage omitted]

Gonzalez Schmall rejected the idea that many members of his party might turn to abstention from voting to protest the electoral process. "I realize that it might seem illogical and absurd to continue to participate in an antidemocratic system," he said, "but I think the PAN must persist in its policy of exercising all resources to bring about change in the system. "Our participation has made it possible to reveal to the people that this is not a democratic government," he said. "Only through active participation do we have a chance to make our voices heard. Through our efforts, there is nobody in Mexico or outside who thinks that this is a democratic government," [passage omitted]

The PAN leader announced that the protest group headed by Chihuahua City Mayor Luis H. Alvarez arrived from Chihuahua to the city of Queretaro. This group will continue to speak against the "electoral injustices committed in Chihuahua," he said. He said the hunger strikes of Alvarez as well as those of Manuel Oropeza and Francisco Villarreal were effective in bringing about a greater public knowledge of what he termed "grave incidents of electoral fraud."

Gonzalez Schmall said according to Alvarez there are many citizens in the state of Chihuahua who believe fraud occurred in the elections and that the official results do not reveal the true wishes of the people. The government to be installed will not be accepted by the people of Chihuahua, he said. "The end of the hunger strike does not signify there is an end to the fight," he said. "There are plans to continue the fight with greater vigor and energy." [passage omitted]

PEMEX DIRECTOR ENCOURAGED BY OIL PRICES

FL151630 Mexico City NOTIMEX in Spanish 1604 GMT 15 Aug 86

[Text] Mexico 15 Aug (NOTIMEX) -- The recent increase in international oil prices is an incentive for the economy and gives hope that the oil market will regain its order and stability at the world level.

This was reported by Pemex Director Mario Ramon Beteta, who was interviewed at the ceremony welcoming Mexican President Miguel de la Madrid from his 3-day visit to the United States.

The oil company official said even though the international oil market has not stabilized, the recent price increase is a positive sign.

We all hope, said Beteta, that the market will become stable and orderly as soon as possible so our countries and hydrocarbon consumers can benefit.

BRIEFS

LOANS FROM JAPAN -- Japanese financial sources have announced a $1-billion loan for Mexico. They pointed out that Japanese Prime Minister Yasuhiro Nakasone requested the Japanese Import and Export Bank set aside the loan for Mexico. The sources indicated that $500 million will be used to build an oil pipeline. In addition, $260 million will be used to expand the (Sicarsa) Iron Plant, and the rest will be destined to promote exports. [Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 14 Aug 86 PA]

SWISS BANKS GRANT LOAN -- Three private Swiss banks today decided to grant $500 million to Mexico as part of $1.5 billion stand-by [previous word in English] credit. A cable from the Swiss news agency ATS received here indicates that the amounts approved by the three most important Swiss banks were reported in Zurich after a meeting held by a banking consulting committee which represents approximately 600 credit institutions. During the consulting committee meeting -- composed of 16 banks representing creditors -- it was decided that the new credits should be used to pay interest and not for new commitments. This was not further explained. The three issuing banks are Swiss Bank Society, Swiss Banks Union, and Credit-Suisse. [Excerpt] [Mexico City NOTIMEX in Spanish 1640 GMT 14 Aug 86 FL]

IMPORTS FROM U.S. DECLINE -- Mexico's purchases of capital goods, raw materials, intermediate goods, and consumer items from the United States have declined $34 billion in 4 years. In 1985, Mexico exported products worth $13.6 billion to the United States. [Summary] [Mexico City EL NACIONAL in Spanish 13 Aug 86 p 1 Economy section PA]

DROP IN INDUSTRIAL PRODUCTION -- The National Bank of Mexico yesterday reported that industrial production was minus 3 percent during the first 5 months of 1986 compared to a growth of 11 percent during the same period in 1985. [Summary] [Mexico City EL DIA in Spanish 13 Aug 86 PA]

DELVALLE ATTENDS BALAGUER INAUGURATION

PA160129 Panama City Televisora Nacional in Spanish 0000 GMT 16 Aug 86

[Text] Panamanian President Delvalle arrived in Santo Domingo this afternoon to attend the inauguration of President-elect Joaquin Balaguer at the National Congress Palace tomorrow. Delvalle began a busy schedule. Some of his most important activities included participation in a toast offered by the Santo Domingo mayor, who gave Delvalle keys to the city. Delvalle later dedicated a square to General Omar Torrijos Herrera. The square was built under the municipal administration of Dominican political leader Francisco Jose Pena Gomez, who concludes his term with the square's dedication.

Delvalle and his retinue held a press conference at the Santo Domingo Hotel. Delvalle answered several questions; the most important dealt with Panama's participation in the Contadora Group, the Torrijos-Carter Treaties, and the return of the Canal. Tonight outgoing Dominican President Salvador Jorge Blanco and his wife will hold a reception for Delvalle. [end recording]

CABINET CREATES INSTITUTE OF NATURAL RESOURCES

PA151836 Panama City Televisora Nacional in Spanish 0000 GMT 15 Aug 86

[Excerpt] A Cabinet meeting presided over by Panamanian President Eric Arturo Delvalle took place this afternoon. During the meeting a bill creating the Institute of Natural Resources [Instituto de Recursos Naturales] was approved, fulfilling a presidential promise.

The Cabinet meeting also appointed a special commission formed by Commerce and Industries Minister Jose B. Cardenas; Luis Alberto Arias, general manager of Panama National Bank; and Jose I. Blandon, the IRHE [Institute of Hydraulic Resources and Electrification] general director. This commission will review in detail the resources the Governments of Mexico and Venezuela offered to Panama regarding the handling and purchase of hydrocarbons, based on the San Jose Accord. That special commission will also list the benefits our country will receive from that international accord. [passage omitted]

VICE PRESIDENTS MEET, DISCUSS C.A. PARLIAMENT

PA152008 Guatemala City PRENSA LIBRE in Spanish 15 Aug 86 p 9

[Text] The Central American vice presidents have agreed to appoint a commission to gather general observations on the Central American parliament's constitutional draft. This was stated in the joint declaration they issued last night at the conclusion of their meeting at the Camino Real Hotel.

The session of the preparatory commission in charge of organizing the parliament began at 1600 and ended at 2200.

They also agreed to create a commission that will be made up of two experts from each country, one of whom will be linked to the respective legislative branches, and whose names will be announced 8 days after 13 August.

The commission will be in charge of compiling all the observations regarding the constitutional draft in order to put them together and present a report no later than 15 September. The report will be disclosed during the second plenary meeting of the parliament's preparatory commission.

The delegations expressed their satisfaction with the progress achieved at this meeting. The delegations from Costa Rica, El Salvador, Honduras, and Nicaragua expressed their gratitude to the people and Government of Guatemala for contributing to the drafting of the constitution and for the expressions of friendship and fraternity they received during the meeting.

Leaders Comment

PA151958 Guatemala City PRENSA LIBRE in Spanish 14 Aug 86 p 2

[Text] The Central American parliament will be the first political organization to resolve the regional problems in a search for permanent peace of our peoples, the Central American vice presidents said yesterday following their meeting in Guatemala City. This is their second meeting to organize this body.

The vice presidents of Guatemala, Costa Rica, El Salvador, Honduras, and Nicaragua met in the Camino Real Hotel. Also present at the meeting were [Costa Rican Foreign Minister] Rodrigo Madrigal Nieto from Honduras [as published] and [Foreign Minister] Mario Quinonez Amezquita from Guatemala.

The representatives of the legislative assemblies who form part of the commissions also attended the meeting.

[Guatemalan Vice President] Carpio Nicolle welcomed his colleagues. He said that the creation of the parliament is needed and this is the first organization that will discuss the various problems of the area that are hindering the development of our peoples.

He added that this meeting is the cornerstone of "a great home in which we will live together and discuss our problems to find solid solutions that will bring peace to the region."

The Costa Rican vice president said that "this organization goes beyond Contadora. It is a great effort by Central America to establish an instrument of cooperation to reach a common goal."

Meanwhile, the Honduran vice president said that the parliament represents an option for resolving the problems affecting us.

He said that this organization will also discuss the belligerent problems affecting Central America in view of the inflexible attitude of Nicaragua.

Salvadoran Vice President Castillo Claramount said the organization will fill the political vacuum that has been prevailing in the region for many years.

[Nicaraguan Vice President] Ramirez Mercado said that his country supports "President Cerezo's brilliant idea of creating a parliament, because this will be the most qualified organization for discussing our problems and finding feasible solutions."

The meeting concluded last night, and the delegations will be going home today.

Ramirez Holds News Conference

PA151303 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 14 Aug 86

[News conference by Nicaraguan Vice President Sergio Ramirez Mercado with unidentified reporters; place and date not given]

[Text] [Reporter] Nicaraguan Vice President Sergio Ramirez Mercado, we would like to ask your opinion regarding this meeting of Central American vice presidents.

[Ramirez] Our opinion is very favorable. We have come here with much enthusiasm and optimism, knowing that we will advance in the creation of the Latin American parliament [as heard]. This is a [word indistinct] hope for the Central American countries.

[Reporter] Does Nicaragua feel that this meeting and this parliament will somehow create a strictly Central American context?

[Ramirez] [Words indistinct] Central America. It is not subject to any foreign influences. Central America must remain for the Central Americans, and we must be the ones to build our [words indistinct].

[Reporter] What is Nicaragua's position at this meeting?

[Ramirez] We have advanced; this is a step forward. I hope that very soon the Central American presidents will be able to sign the treaty that creates the Central American parliament.

[Reporter] Has Nicaragua placed conditions or made proposals?

[Ramirez] There are no conditions. We fully agree with Guatemala's proposal. We are here to continue studying it.

[Reporter] Some governments, not the Guatemalan Government, but other governments such as the Costa Rican Government, have said that the Nicaraguan Government is not democratic. What is your opinion?

[Ramirez] There are many opinions regarding democracy. We are very busy resolving the Nicaraguan problems, and we are not about to ask whether other countries have or do not have a democratic system. That is none of our business. [Sentence indistinct].

[Reporter] What can you tell us about Nicaraguan democracy?

[Ramirez] We have a government and National Assembly chosen by the people. We are drafting our constitution. We are consolidating democracy according to our country's needs and according to our country's situation. [passage indistinct]

[Reporter] At this meeting of vice presidents is it possible that Nicaragua may suggest a condition of [word indistinct] intervention of foreign forces in Central America?

[Ramirez] It is not part of the agenda; however, this is included in the Contadora proposal. We feel that no force foreign to this region, regardless of ideology, should intervene in Central American matters.

[Reporter] Speaking of Nicaragua and its government, can the government (?confront) a foreign invasion?

[Ramirez] It is not something we are looking forward to. It is something we hope will never happen, but there is that possibility. Therefore, we are preparing to confront it [words indistinct].

[Reporter] [Words indistinct] Nicaragua of the arms race talked about in Central America?

[Ramirez] It is unfortunate that Central America and the peoples of Central America must purchase weapons when they should be building schools, hospitals, and irrigation systems for the agriculture sector and improving the industrial sector. I think that our peoples [words indistinct] peace so that these weapons will not be necessary [words indistinct].

[Reporter] During the Esquipulas meeting Honduran President Azcona said that, unfortunately, Nicaragua had to buy weapons instead of food because of the aggression it is experiencing. [Sentence indistinct]

[Ramirez] Nicaragua is not the only country that purchases weapons. There are other Central American countries that also [words indistinct] weapons. When we speak of demilitarization we must speak of demilitarization of the Central American area.

[Reporter] If an invasion did occur, is Nicaragua militarily ready?

[Ramirez] Of course. We are willing to defeat any kind of military aggression, we the Nicaraguans. We are trained for this. We have no one else. We, the Nicaraguans, will defend our homeland.

COSTA RICA

GOVERNMENT RULES OUT MEETINGS WITH NICARAGUA

PA151504 San Jose Radio Reloj in Spanish 1200 GMT 15 Aug 86

[Text] Costa Rica will not attend any meeting with Nicaragua's participation. Costa Rica asked the Central American delegations present at the installation of the commissions organizing the Central American parliament not to convoke any meetings of area vice presidents or foreign ministers.

The request was made by Costa Rican Foreign Minister Rodrigo Madrigal and was supported by Guatemala, El Salvador, and Honduras. Madrigal said that so long as the suit [with Nicaragua] is not resolved, Costa Rica will not attend any meeting where Nicaragua would also be present. The decision was made as a result of the charges filed by Nicaragua against Costa Rica at the International Court of Justice [ICJ].

Madrigal added: Costa Rica has decided not to attend any meeting with Nicaragua until the legal suit at the ICJ is settled in order to avoid goodwill gestures that contradict the facts. Madrigal said that Costa Rica will not listen to expressions of goodwill, support for democracy, or the like at joint meetings when actions are contradictory and quite the opposite.

In view of this situation, and so long as the charges filed by Nicaragua at the ICJ are not settled, Costa Rica will not attend any joint meetings with that country.

ARIAS ON SENATE APPROVAL OF CONTRA AID

PA151707 San Jose Radio Reloj in Spanish 1200 GMT 15 Aug 86

[Text] President Oscar Arias has said that the U.S. Senate's approval of aid for Nicaraguan counterrevolutionary groups was decided some time ago. He stressed that it was expected, as the Republican Party has the majority in the Senate. However, Arias said he would prefer a peaceful, negotiated solution to a military solution.

He reiterated his concern over the consequences of the Nicaraguan war in our country. He recalled that his government's intention is to reactivate the economy and promote a climate of peace to encourage new investments and create more jobs. However, the intensification of the war in Nicaragua will increase the immigration of Nicaraguans and with it the danger to our identity posed by the presence of 250,000 foreigners in our country.

Arias reiterated his conviction that Nicaragua is basically responsible for the Central American situation, because it has not shown flexibility, tolerance, or any ability [words indistinct], as requested at the Esquipulas presidential meeting. Instead, the daily LA PRENSA was closed down and some priests expelled, Arias said.

President Arias said that he has no reason to doubt President Reagan's commitment not to send U.S. soldiers to Nicaragua. He added: Although it may seem late to find a peaceful solution for the conflict, we must look forward to the Contadora Group's next meeting. The Contadora Group will hold its next meeting in New York in September, during the opening of the UN sessions.

BRIEFS

AMBASSADORS APPOINTED -- Today the Council of Government confirmed the appointments of six ambassadors who were approved by the countries where they will work. They are: Marco Avelio Guillen to Canada, Miguel Angel Campo Echandia to Brazil, Alvaro Monge Umana to Peru, Miguel Yamuni to Panama, and Oscar Roman Hernandez to Venezuela. In addition, Carlos Jose Gutierrez was confirmed as the Costa Rican ambassador to the United Nations. [Summary] [San Jose Radio Reloj in Spanish 0100 GMT 14 Aug 86 PA]

EL SALVADOR

DUARTE MEETS ORTEGA, DEMANDS END TO 'MEDDLING'

PA171841 Madrid EFE in Spanish 1745 GMT 17 Aug 86

[Text] Santo Domingo, 17 Aug (EFE) -- Salvadoran President Jose Napoleon Duarte today announced that last night he demanded that his Nicaraguan colleague Daniel Ortega respect the independence of El Salvador. Duarte announced that in the National Palace of Santo Domingo, with President Joaquin Balaguer between the two of them, he demanded of Ortego that the Sandinists not meddle in El Salvador's affairs, "because El Salvador does not meddle in Nicaragua's."

According to Duarte, Nicaragua "has meddled and is meddling by setting up a sanctuary for Salvadoran guerrillas, helping them and giving them supplies and all types of logistical support, and that obviously endangers the stability of my country." He said that El Salvador has never meddled in Nicaragua's domestic affairs, and, therefore, "we demand that Nicaragua, in reciprocity, respect the integrity and self-determination of the Salvadoran people and try not to spread its revolution to other nations."

With Ortega on his right and Duarte on his left, President Balaguer hosted a dinner last night for the presidents who attended his fifth inauguration on 16 August.

"I told him that in order to find a path of peace in Central America there must be a political will on the part of all the parties involved," Duarte stated in a news conference held this morning in a hotel in Santo Domingo. Shortly after, Ortega called a news conference in which he said that Nicaragua is disposed to signing the peace document of the Contadora Group on 16 September. He did not comment on, although he did confirm, the "exchange of views" with Duarte and Panamanian President Eric Arturo Delvalle.

The Salvadoran president told Ortega: "There cannot be an understanding among the Central American nations if Nicaragua commits the immense mistake of making demands at The Hague tribunal on democratic nations, especially on the democracy par excellence of the Costa Rican nation." He added that he told Ortega Saavedra that so long as Nicaragua aids the Salvadoran rebels, it is endangering Central American stability.

Duarte told Ortega: "We need to hold dialogues in our efforts to achieve detente, not at a bilateral level, but a multilateral effort which the five nations would feel calm and secure that Nicaragua would not destablize Central America." According to Duarte, the Managua government is willing to sign the Contadora peace document if the United States agrees to discuss the fate of Central America with the Sandinists.

Duarte stressed that, as a Salvadoran, he will not allow the Sandinists to discuss El Salvador's fate with the United States, because the Salvadorans are the only ones who can determine the country's fate. He said that, as in a laboratory, there are currently two models of revolution: the Sandinist revolution, which he described as Marxist, and the Salvadoran revolution, which is democratic.

Duarte said that Latin America practices and adopts democratic revolutions, and this is reflected in its efforts to rid itself of dictatorships. He said that his country's guerrillas are fleeing in disarray due to the training and control exercised by the Army throughout the national territory.

Duarte said that the guerrillas' actions have no military importance and that the few operations they have carried out serve only to generate international news. He said that there are only remnants of guerrillas left at the Honduran border. However, once border problems between the two countries are resolved, the guerrillas will be eliminated.

He called on the guerrillas to rejoin democratic life in El Salvador and cited the case of guerrilla leaders who have taken advantage of what he called a permanent amnesty, who are now enjoying a problem-free civilian life.

The Salvadoran Government and guerrillas will meet on 20 August in Mexico to draft a peace agreement to end a war that began on 10 January 1981 with the so-called "general offensive" of the FMLN military front. That meeting will pave the way for a third round of negotiations between government representatives and the rebels that the government has proposed for 29 August.

DUARTE NAMES REPRESENTATIVES TO TALKS IN MEXICO

PA151736 Panama City ACAN in Spanish 1705 GMT 15 Aug 86

[Text] San Salvador, 15 Aug (ACAN-EFE) -- The Salvadoran Government today announced the names of President Jose Napoleon Duarte's delegates to the private talks with the guerrillas, which will take place in Mexico on 20 August. The commission will be made up of Rodolfo Antonio Castillo Claramount, vice president and foreign minister, Julio Adolfo Rey Prendes, the communications and culture minister, who is also one of Duarte's closest aides, and union leader Ricardo Soriano.

The meeting in Mexico will be in preparation for the third round of talks between the government and the guerrillas, which will supposedly be held in El Salvador, as agreed by the two parties. Edmundo Viera, deputy communications minister and government spokesman for the dialogue with the rebels, reported today that the delegation that will attend the 20 August meeting in Mexico is serious about preparing the third round of the peace talks." [quotation marks as received]

Colonel Reynaldo Lopez Nuila, the deputy security minister, and Alejandro Duarte, President Duarte's son and secretary of the Presidency, will be advisers for the commission; however, they will not be present at the private meetings. Viera said that the presidential commission is interested in establishing the date, place, and mechanisms for the third round of the dialogue for peace.

Rebel Delegation Named

PA152238 Panama City ACAN in Spanish 2123 GMT 15 Aug 86

[Text] San Salvador, 15 Aug (ACAN-EFE) -- The Salvadoran guerrillas announced today the names of the members of the delegation that will represent them during private meetings with the government in Mexico to prepare for the third round of talks. The guerrillas, however, stressed that their delegation "would not be of the highest level."

During a telephone interview with a local radio station, FDR President Guillermo Manuel Ungo said that the rebels' delegation will be formed by Salvador Samayoa of the FMLN, Jose Villacorta of the FDR, and Arnet Diaz as assistant, Ungo said that "the rebels' delegation is not of the highest level."

The Salvadoran Government also announced today the names of the members of their delegation to participate in the Mexico talks. They will be Rodolfo Castillo Claramount, vice president and foreign minister, Adolfo Rey Prendes, minister for communications and culture, and Ricardo Soriano, a union leader.

Referring to the top-level commission proposed by Salvadoran President Jose Napoleon Duarte, Ungo said: "They want to take us in." He also disagreed with the meeting's taking place at the Salvadoran Embassy in Mexico City. Ungo pointed out that "the only spokesman authorized to announce the place and the procedures for the meetings as well as the commissions is the mediator, Bishop Arturo Rivera y Damas, although he is the only one who has kept silent." Rivera y Damas has been the mediator between the government and the Salvadoran guerrillas since the preparations for the new round of talks began.

On 4 August the Salvadoran Government proposed to the FMLN and the FDR to hold the new round of talks on 29 August in San Miguel, after private conversations to be held out of the country to agree on the agenda. The rebels refused to meet on 29 August in public, but instead agreed to meet in Mexico City on 20 August to determine the date, place, and procedure to be followed during the third round of talks.

Later in the interview Ungo said: "Duarte and his government are making propaganda, trying to surprise us (the guerrillas) and public opinion." Ungo added: "Duarte accuses us of trying to manipulate the dialogue and its preparation for propaganda purposes. It is the government, however, that is mounting a show."

Through these preliminary meetings the government and the guerrillas are trying to fix the place, date, and procedures for the third round of talks for peace. The rebels and the government have met twice, in October and November 1984, but no agreement was reached in either of the two meetings to end the war that has lasted for more than 6 years.

Viera Views Delegation

PA161552 San Salvador Raio Cadena YSKL in Spanish 1730 GMT 15 Aug 86

[Text] YSKL listeners, shortly we will have statements made this morning by Roberto Edmundo Viera, deputy culture and communications minister, in regard to the commission or the members of the Salvadoran Government commission which will meet with the FMLN-FDR guerrilas in Mexico on 20 August. Viera said that the commission is formed by six people, three of whom are official members of the commission and three of whom are advisers.

[Begin Viera recording, in progress] ... the national working commission with the president, and ratify the government's decision to give a content of seriousness and responsibility to these meetings in Mexico, which will set the date, place, and mechanism for the third round of the dialogue. Based on that seriousness and that responsibility, a representative, high-ranking government commission has been named. That commission will be formed of three people who will participate in the meetings and a group of three advisers, who will not participate directly in the meetings but will participate in the making of any decision regarding the mechanism and the operation of the dialogue.

The commission attending the meetings with FMLN-FDR members is made up of Rodolfo Castillo Claramount, vice president of the Republic and foreign minister; Julio Adolfo Rey Prendes, minister of culture and communications; and Ricardo Soriano, secretary general of Fesinconstrans [Federation of Trade Unions of the Construction and Related Industries, Transport, and Other Activities], who was proposed by the National Peasant-Worker Unity.

The three advisers attending the meeting with them are: Colonel Reynaldo Lopez Nuila, Jose Alejandro Duarte, and Fidel Chavez Mena. The commission highlights the seriousness which the government is giving the meeting in Mexico, and for that reason it is giving this level of representation to the commission. As you can see, the vice president of the Republic is heading the commission going to Mexico.

In this regard, we trust and hope that during this meeting we will determine the date and place as well as all the operational mechanisms for the third round of talks. This is basically the information regarding the commission. It will be in Mexico on 20 [August].

We are proposing to meet at the Salvadoran Embassy. Granted, they will reject the embassy, alleging that the meeting will not be private and that the place is known. Still, they have not proposed an alternative site. Our commission will be there. If they make contacts through the mediator to seek a different place in Mexico City, we are willing to seek a place. That is not a matter of honor and or a major point. The place could be some other area which would expedite the meetings.

Regarding the terms they have used, as they told Msgr Arturo Rivera y Damas, they are talking about prior private meetings. In this respect, our view of the concept of private does not mean that the location or whether the meeting will take place be kept secret. It is known that a meeting will take place. What is discussed is viewed as private, because the specific working commissions know about them. If the two sides do not reach an agreement, then things will remain at that level. If the two sides reach an agreement, the results of the talks held will be disclosed. That is our view on private meetings. It is not a matter of not disclosing that the meeting is taking place, but rather of not disclosing the topics discussed. This is handled as an agreement between the two sides.

Therefore, this is the commission which the government has set up. As you can see, this is top-level government commission. We hope that the FMLN-FDR treats this meeting with the same seriousness which the government does. [end recording]

It was unofficially reported this morning that the FMLN-FDR had named Salvador Samayoa to represent the FMLN. Also, Jorge Alberto Villacorta was unofficially mentioned, as well as Ruben Zamora of the FDR, to attend the prior meeting in Mexico City on the 20th. It was also reported that when the Salvadoran delegation arrives in Mexico an agreement on where to hold the meeting could be reached. The guerrillas, through Radio Venceremos or the mediator, could disclose their proposal to meet in some place other than our country's embassy in Mexico. [End recording]

VENCEREMOS CLAIMS HELICOPTER DOWNED BY REBELS

PA170232 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Aug 86

[Text] At 1100 today, 16 August, a Rafael Arce Zablah guerrilla unit shot down a UH-1H helicopter near Arambala in northern Morazan Department. The helicopter was ambushed, shot down, and totally destroyed. Its crew, including two pilots and two gunners, was killed. This is the 4th helicopter shot down in Morazan and the 19th aircraft destroyed in the eastern region of the country. It is also the 48th aircraft destroyed by the Rafael Arce Zablah Brigade.

GUATEMALA

CEREZO COMMENTS ON PLOT TO DESTABILIZE REGIME

PA170116 Panama City ACAN in Spanish 2330 GMT 16 Aug 86

[Text] Guatemala City, 16 Aug (ACAN-EFE) -- President Vinicio Cerezo has downplayed a plot by "agricultural and military" sectors to destabilize his Christian Democratic regime which was uncovered this week.

The president, who yesterday went to Quiche Department, 164 km northwest of the country [as received], to inaugurate a regional fair, stated: "The destabilizing plan did not succeed because of the Army's loyalty to the process of democratization."

Cerezo disclosed that during a recent meeting with unidentified conservative politicians a group of agricultural exporters who are apprehensive about land reform talked with Army officers to get their support to topple the government.

The Guatemalan agricultural sector which sought the military's support was thinking of starting a "destabilizing plan" with the murder, kidnapping, and disappearance of "well-known personalities," according to yesterday's disclosures by the "Tele Prensa" newscast and the dailies LA HORA and PRENSA GRAFICA.

In addition, they had planned to step up destabilizing actions with a shortage of staple products and an increase in the price of food to cause an adverse reaction among the people "during a moment of despair."

The president did not reveal the names of the leaders of agricultural exporters who were involved in the plot. However, according to unofficial reports, government officials may be involved. The Christian Democratic government is currently facing strikes in 38 hospitals and 336 state health centers, pressures to increase the wages, and pressures by the private sector to raise the price of milk.

Also, there has been a critical shortage of sugar in the domestic market, to the extent that the Treasury Police had to conduct an operation in this capital and arrest 28 persons for hoarding the product.

The civil government views these incidents and the increased crime reported daily by the National Police as part of the destabilizing plan.

Agricultural exporters are apprehensive that the government will support expropriation land reform owing to the demands by Father Andres Giron, the leader of southern coast peasants, who is asking that land be given to 75,000 dispossessed families.

Defense Minister General Jaime Hernandez Mendez and Interior Minister Juan Jose Rodil Peralta have not commented on the plot.

QUINONEZ ON TIES WITH UK, NATION'S IMAGE ABROAD

PA161424 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 14 Aug 86

[Text] The Guatemalan foreign minister has said that more publicity abroad is required but that there is a shortage of money for this. A few days ago this radio station aired an interview during which Deputy Guillermo Enrique Villar Anleu of the Christian Democratic Party said that he had just visited Europe and learned that Guatemala's poor image abroad continues, despite the democratization process initiated by the current government. During the interview, Villar Anleu said that some diplomats were useful only to attend cocktail parties. He added that he would report this situation to President Vinicio Cerezo Arevalo so that it could be corrected.

Regarding these remarks by Deputy Villar Anleu, this radio station interviewed Foreign Minister Mario Quinonez Amezquita, who also discussed other topics of international interest.

[Begin recording] [Reporter] [words indistinct] the resumption of consular relations with the United Kingdom on 15 August?

[Quinonez] Well, I will answer your question in all respects. Consular relations between the two countries will be established. The date that you have mentioned, however, is wrong. It will not be on 15 but on 19 August. At 0900 the two countries will release a joint communique [words indistinct]. The relations to be established will be consular, not diplomatic. This will occur on the morning of 19 August. Then we will issue a simple communique, mentioning only the reestablishment of consular relations and Guatemala's position.

[Reporter] Mr Minister, what implications will this have for Guatemala?

[Quinonez] Basically, it will accomplish two things: One, we will have better trade with the United Kingdom and neighboring nations; and two, we will be able to [words indistinct] and exchange views about [words indistinct]

[Reporter] Has the Guatemalan consul to represent us in the United Kingdom been appointed?

[Quinonez] No, not yet. Several candidates are being considered.

[Reporter] Will future relations with the United Kingdom and the question of Belize have [words indistinct]?

[Quinonez] [passage indistinct] As I have said a number of times, we will exchange views directly. Both the United Kingdom and Guatemala have been considering some proposals to be exchanged during a coming meeting. Perhaps we will reach an understanding.

[Question indistinct]

[Quinonez] Not even if they come accompanied, except if they come as citizens [words indistinct] regarded as government representatives.

[Reporter] One last question. In the context of Guatemala's new image, has the establishment of diplomatic relations with Cuba been considered?

[Quinonez] The truth is that diplomatic relations are established with a country [words indistinct] exchange. In other words, we do not have commercial or diplomatic relations at present. Some have said such relations could be possible in the future. No such relations, however, are contemplated at present.

[Question indistinct]

[Quinonez] In the first place, I do not accept as true the opinion of [words indistinct]. The country's image has changed greatly. [passage omitted] The proof of this is that the human rights commission [words indistinct] relaying information to various governments. This information does not always reflect reality. This does not mean that they create a poor image of the country, this means that some people do not want the Guatemalan democratic process to succeed. [passage indistinct]. Now, I do think the country must make an effort to improve certain aspects of its foreign diplomatic relations, not only on the level of embassies or [words indistinct] but also public relations. [passage indistinct] We (?invite) local news agencies to spread information, make the country known, have very good relations with the press of all those places, particularly Europe, but this is not precisely [words indistinct]. There should exist an agency in parallel with the diplomatic service to do this work. I do admit that it is necessary to speed up the country's public relations.

[Reporter] Have you suggested something about this to the president of the Republic?

[Quinonez] Not only have I made suggestions, I have requested a budget increase to allot special funds for this. [end recording]

HONDURAS

ARMED FORCES COMMUNIQUE ON CRASH OF C-130

PA160004 Tegucigalpa Domestic Service in Spanish 2200 GMT 15 Aug 86

[Special communique issued by the Armed Forces; read by Colonel Leonel Gutierrez Minera at the Hernan Acosta Mejia Air Force Base in Tegucigalpa; date not given -- live]

[Excerpt] The Honduran Armed Forces hereby report:

A. On Thursday, 14 August 1986, a C-130 Hercules airplane with registration number FAH-556 departed from Tegucigalpa at 1035 for Dursuna, Mocoron, Gracias a Dios Department, on an official mission for the Armed Forces.

B. The airplane's crew was made up of Lt Col Luis Isidro Aguilar Godoy, Air Force Major Rigoberto Casco Posas, Air Force 2d Lt Marvin Edgardo Meza Valladares, 2d Sgt Hector Nery Hernandez, and 2d Sgt Miguel Maldonado David.

C. The aircraft was carrying 52 persons, including civilians and military members of the 5th Infantry Battalion; a list of their names is attached to this communique.

D. At 1400 vague reports were received from various sources indicating that some people had seen a burning plane near the community of Pimienta.

E. All possible means of contacting the aircraft were exhausted, and given that it did not reach its destination at the estimated time of arrival, airplanes and helicopters were sent to look for it. The search continued until nightfall and was renewed early this morning.

F. Today at 1000 the wrecked airplane was located close to Pimienta, at the following coordinates: 84 degrees 45 minutes West and 15 degrees 10 minutes North. The aircraft was totally destroyed, and all its passengers were killed. The force of the impact caused the disintegration of the aircraft, which caught fire. Consequently, the recovery of all the bodies has been difficult, and in some of the cases the bodies have been burned completely. Thus, it is not possible to identify all the bodies -- which will be brought to this capital tomorrow for a funeral service at the 1st Infantry Battalion headquarters. The funeral entourage will depart from there for their Christian burial.

G. Preliminary reports, issued by members of the Air Force's Department for the Investigation of Aircraft Accidents — who have been at the site of the tragedy since yesterday --- have revealed to the Honduran Air Force General Command that the severe weather conditions which prevailed in the area might have been the cause of this deplorable accident, which has brought mourning to Hondurans. A final report on this accident will be officially issued as soon as we have all the elements which pertain to an investigation of this type.

2. [number as received] The Honduran Armed Forces, upon reporting this sad information, publicly state their sorrow at the irreplaceable loss of dear comrades and distinguished citizens. We avail ourselves of this occasion to present our sincere condolences to all the relatives of the victims who died in this deplorable accident. Also, we raise our prayers to the Lord for the eternal peace of the souls of our dear comrades in arms and their relatives. [passage omitted]

ARMY APPOINTS TEMPORARY FUSEP COMMANDER

PA161428 Tegucigalpa EL HERALDO in Spanish 14 Aug 86 p 5

[Text] Colonel Alonso Tercero Beltran will temporarily assume the post of Public Security Forces (FUSEP) commander general, replacing Colonel Wilfredo Sanchez Valladares.

This was reported by Lieutenant Jose Anael Perez, chief of the FUSEP's Public Relations Department. He said that according to the law, Col Tercero Beltran assumed the top-ranking national security post as of yesterday.

Col Sanchez Valladares and Colonel Roberto Nunez Montes were suspended by the Armed Forces top echelons while there is an investigation of the public charges issued by Nationalist Deputy Rodolfo Zelaya.

Zelaya has claimed that the attack which was recently carried out against him was due to the "envious feelings" that Nunez Montes (G-2) feels for him because he has not been able to participate in Zelaya's business activities. He also said that Col Wilfredo Sanchez Valladares is involved in this.

Meanwhile, a commission comprised of top-ranking Armed Forces officers is investigating the charges, so top military echelons decided to temporarily suspend Sanchez Valladares and Nunez Montes. The deputy and businessman has been instructed to provide appropriate evidence.

Col Alonso Tercero Beltran formerly held the post of FUSEP inspector general, so he should assume the post of FUSEP commander general, it was stated by Lt Perez. The Armed Forces' Public Relations Department had not revealed as of yesterday afernoon who would replace the military intelligence (G-2) commander, Col Roberto Nunez Montes.

GONZALEZ MUNOZ 'SURPRISE' ENVOY TO NICARAGUA

PA161411 Tegucigalpa EL HERLALO in Spanish 14 Aug 86 p 2

[Article by Ramon Murillo Cantoral]

[Text] Tomorrow Colonel Efrain Lisando Gonzalez Munoz, former chief of the Joint General Staff of the Honduran Armed Forces, will take up his post as Honduran ambassador to Nicaragua in what appears to be an independent effort by the government to improve relations with Nicaragua.

The appointment of the veteran officer is a political-military surprise, as during a recent conversation with one of our editors he said that his new destination was the Honduran Embassy in Guatemala.

Until last month Gonzalez Munoz had been military attache at the Honduran Embassy in El Salvador, after having been chief of the Joint General Staff following the forced resignation of the previous commander, General Walter Lopez Reyes.

The transfer of Gonzalez Munoz to the embassy in Nicaragua was decided in a matter of hours, as he was just about to travel to Guatemala, whose government had already given approval. In addition, President Azcona Hoyo had already authorized the appointment.

The former chief of the Joint General Staff of the Honduran Armed Forces will also act as military attache in Managua.

Officials close to the presidential palace interpreted the appointment of Gonzalez Munoz as an attempt to improve relations with Nicaragua, which have been at a low level since the triumph of the Sandinist revolution in July 1979.

Gonzalez Munoz is considered a moderate within the Armed Forces and one who could carry out a better tour of duty than the ambassadors to Nicaragua during the last few years.

In addition, it is believed that he could be a valid speaker for the Sandinists, considering that the Sandinists gave him their approval within hours.

Initially it was announced that the new ambassador to Nicaragua would be Colonel Rigoberto Regalado Lara, brother of the present commander in chief of the Armed Forces, General Humberto Regalado Hernandez, and also military attache to the Honduran Embassy in Guatemala.

Gonzalez Munoz survived the "purge" a few years ago against the young officer movement that overthrew former President Oswaldo Lopez Arellano and which brought to power General Juan Alberto Melgar Castro.

At that time several officers were removed from active duty and branded as leftists, which was never proved. Among them were Juan Ramon Molina Cisneros, Mario Maldonado, Mario Leonel Fonseca, Gerardo Wildt Yates, and others.

In Gen Melgar Castro's government, Col Gonzalez Munoz held the post of minister of culture, tourism, and information. From there he went on to several posts within the military.

He was also founder of the Armed Forces Public Relations Office.

NICARAGUA

RAMIREZ CRITICIZES APPROVAL OF CONTRA AID

PA152024 Guatemala City PRENSA LIBRE in Spanish 15 Aug 86 p 14

[Text] The $100 million in aid for the contras is an unfortunate, unjust, and illegal decision, Nicaraguan Vice President Sergio Ramirez Mercado said during an interview shortly before he returned to his country. Ramirez said: "The United States has no right to intervene in Central America, much less to promote a war to harm the Nicaraguan people."

He recalled that the International Court of Justice recently ruled in favor of Nicaragua and demanded a stop to those attacks. President Reagan's [as published] decision is illegal and places him on the margin of international law.

Ramirez said that the million-dollar aid for the contras will only worsen the situation and entails grave risks and great tensions. We are worried because the warlike situation in Central America could become worse, he said.

"The United States is meddling in Central American affairs; however, Nicaragua will successfully repel the Somozists' invasion," Ramirez Mercado concluded.

GOVERNMENT PULLS FOREIGN WORKERS FROM WAR ZONE

PA161337 Managua Radio Sandino in Spanish 1930 GMT 15 Aug 86

[Text] Salvador Alarcon, public relations officer of the Nicaraguan Committee of Solidarity with the Peoples [CNSP], announced today that the committee is withdrawing all internationalists and cooperation workers who are helping the revolution in the war zone. Alarcon announced that the CNSP will issue an official statement this afternoon in regard to the transfer of the cooperation workers and internationalists to another zone. He said that a meeting has been scheduled with all foreign residents to brief them on the new measures the government has adopted.

This does not mean that international solidarity with Nicaragua will be discontinued. In the next few months measures will be adopted with regard to the internationalist brigades that come to Nicaragua to participate in the coffee harvest, Alarcon noted.

[Begin recording] [Alarcon] With this decision, the CNSP is complying with the revolutionary government's orders. Along these lines, the brigades we are attending to now are being moved to areas quite close to the departmental seats. In addition, the brigades that are arriving or are scheduled to arrive [words indistinct] to take charge of some projects they are sponsoring will also be housed in areas near departmental seats. This decision has been adopted by the CNSP leadership to comply with the revolutionary government's instructions.

[Reporter] Historically, internationalist brigades have been formed to help the Nicaraguan people with the coffee harvests and other activities. How is it going to be during this coffee season? Will this be kept up, that is, will brigades of pickers be formed?

[Alarcon] As we understand it, Commander of the Revolution Jaime Wheelock, minister of agrarian reform, has said that the most qualified people will pick the coffee this season. That is to say, this coffee harvest is being handled differently. [passage indistinct] I cannot answer your question directly now. We must wait to see what the situation is when the harvest begins to be able to say what will happen. I would dare say at this moment that the brigades of pickers will be located in areas as close as possible to the departmental seats.

[Reporter] In view of this situation, what will the CNSP do about projects scheduled to be implemented before the end of this year?

[Alarcon] The projects will continue. They will not stop. However, what we must make clear is that Nicaraguans will be (?exclusively) in charge of these projects. Nicaraguans will fill the positions the internationalist companeros had filled voluntarily and will take charge of fulfilling the projects, even if they are financed by international solidarity. This does not mean that the committees of solidarity that had money for a project will withhold it. The solidarity will continue from this standpoint. [passage indistinct]

[Reporter] Generally speaking, have the internationalist cooperation workers understood the measure adopted by the revolutionary government?

[Alarcon] We feel their reaction has been very positive [words indistinct].

[Reporter] Have you determined if there is a tendency among the counterrevolutionaries to assail international solidarity?

[Alarcon] Yes, the CIA has issued this guideline to the mercenary forces to reduce solidarity with Nicaragua, to intimidate the internationalists. However, you have noticed that the statements coming from all solidarity sources have been very [words indistinct]. They have said that they will always be ready to continue supporting this popular revolution and sending more brigades. This has demonstrated that these people have a great solidaristic feeling toward the revolution. [end recording]

REPATRIATION OF MISKITOS, SUMUS ANNOUNCED

PA160450 Managua EL NUEVO DIARIO in Spanish 15 Aug 86 p 8

[Text] Reinaldo Antonio Tefel, president-minister of the Inssbi [Nicaraguan Social Security and Welfare Institute] said yesterday that in the next few months 2,000 Indians will enter the country as part of a repatriation program implemented by other organizations.

On this matter, he said that there exists a tripartite commission formed by the Nicaraguan Government, the United Nations Office of the High Commissioner for Reguees (UNHCR) and the Honduran Government.

He noted that in the past months from 6,000 to 7,000 Miskitos and Sumus voluntarily returned to their places of origin. "They have repatriated themselves. They crossed the border and returned to their homes," he explained.

"If the black legend of the ethnic persecution were true, they would not repatriate themselves en masse," Tefel said. He said that the Indians were forcibly taken to Honduras or had been deceived.

Moreover, UNHCR Representative in Nicaragua Jaime Ruiz de Santiago told the local press that $300,000 had been earmarked for the repatriation's first phase.

The program, which also includes the repatriation of refugees, could end by the end of the year. They will receive housing, food, and fishing materials.

FDN PLEDGES TO RESPECT COSTA RICAN NEUTRALITY

PA170042 Panama City ACAN in Spanish 1948 GMT 16 Aug 86

[Text] San Jose, 16 Aug (ACAN-EFE) -- The anti-Sandinist FDN today reiterated its respect for Costa Rica's neutrality regarding the conflict in Nicaragua and stated that it will "never" involve Costa Rica in its struggle.

A document signed by eight FDN commanders of the "Southern Front" also says that the FDN will not provoke any incident on the Nicaragua-Costa Rican border and will "never" set up military bases in the latter country.

The Costa Rican Government has declared neutrality in the Nicaraguan conflict. In the past few months it has mounted several police operations to determine the location of clandestine field hospitals and recovery centers for the counterrevolutionaries in Costa Rica. These hospitals and recovery centers operate without official authorization.

According to the FDN communique, its 4,500 combatants fight in a 25,000-sq-km area in southern Nicaragua. It added: "This strategy, applied over these 3 past years, has allowed us to operate from our own territory and among our own peasants."

According to the FDN commanders, the $100 million in military and humanitarian aid that the U.S. Senate approved for the counterrevolutionaries this week will make it possible for them "to make important progress" in the struggle against the Sandinist government.

The document also said: "We will not disappoint the Nicaraguan people, the U.S. people, or the peoples who support us."

BRIEFS

ANGOLA OPENS EMBASSY -- Angola has opened its diplomatic representation in Managua. The new embassy is in the Planetarium neighborhood and is the first southern African representation in Nicaragua. The official who will head the embassy raised the Angolan flag in the front yard shorty after 1000. It was a simple but solemn ceremony attended by Nicaraguan Deputy Foreign Minister Xavier Chamorro Mora and Manuel Pacavira, the Angolan ambassador to Cuba, who will also be the ambassador to Nicaragua. [Excerpt] [Managua EL NUEVO DIARIO in Spanish 9 Aug 86 p 12 PA]

SEVERAL SECTORS VIEW U.S. AID TO CONTRAS

Our America Commentary

PA161312 Havana International Service in Spanish 2300 GMT 14 Aug 86

["Our America" commentary]

[Text] On Wednesday mercenaries and bribery received new backing when the U.S. Senate approved the trite $100 million for the Nicaraguan counterrevolutionaries. By 53 votes to 47, the Senate passed the bill presented by President Ronald Reagan. In June, the bill was approved by the House of Representatives. Only the President's signature is now required. As a result, by the year's end the mercenaries will surely begin receiving the $100 million destined to finance an army that is fed and clothed and murders with U.S. taxpayers' money. During debate in the Senate, which began on Monday, President Reagan again badgered the legislators with his annoying propaganda for the aid for his freedom fighters, while the delivery of $300 million for El Salvador, Honduras, Costa Rica, and Nicaragua [as heard] was also discussed. This aid was also approved.

This shows that, while it backs mercenaries militarily and financially, the White House and its followers in the U.S. Congress buy the posture of the countries neighboring Nicaragua to neutralize them and turn them into meek instruments of the Yankee policy toward Central America. Reagan and his allies have turned a deaf ear to requests to cease support for the counterrevolutionaries. These requests have been made by groups, political leaders, and church authorities, not only from Latin America and Europe, but from the United States.

With arrogance, Washington ignored the international laws that forbid any one nation from conducting actions to topple other governments. This is done openly against Nicaragua. President Reagan himself demonstrated the current administration's deeply reactionary inspiration. In a press conference a few hours prior to the Senate vote, he expressed tolerance toward the apartheid regime and repudiated the Nicaraguan revolutionary process. Asked by a reporter about his refusal to apply economic sanctions against the South African regime while he maintains an economic blockade against Nicaragua, Reagan cynically argued that what he described as the expansion of communism in Central America must be stopped and that a U.S.' hostile stance regarding South Africa would harm the black population.

Such cynicism would perhaps find a parallel in the Hitler regime. Are the U.S. people aware of the adventure in which their president involves them? Will this be the harbinger of a new Vietnam, so much repudiated by the U.S. people?

Commentary Cites Other Views

PA161707 Havana International Service in Spanish 2300 GMT 14 Aug 86

[Commentary by Pedro Otero and Miguel Cabrera]

[Text] [Otero] Yesterday the U.S. Senate approved the $100 million requested by President Reagan for the Somozist mercenaries. Evidently this is the first step toward a greater U.S. war escalation in Nicaragua and in Central America, in general. The approval once again shows President Reagan's adventurous policy, as well as that of a large number of U.S. Congressmen, who are playing the White House game in this strained situation in the Central America region.

As a matter of fact, Cabrera, I do not know if you read about the reactions provoked by that approval by the U.S. Senate.

[Cabrera] Yes, of course I did. One of the first replies came from Nicaraguan President Daniel Ortega, who said that the U.S. Senate approval is a sabotage of the ICJ [International Court of Justice] and a confirmation that through its terrorist policy, the United States is willing to violate all international rules. As we can recall, recently, the ICJ ruled in favor of Nicaragua in its demands against the United States.

[Otero] To this we can add a series of statements made by Latin American political, labor, and social leaders, who from the first vote in the U.S. House of Representatives, which approved a version of the aid for the Nicaraguan counterrevolutionaries in June, have been making statements against that U.S. Government policy, particularly against the aid that Reagan wanted and wants to give to the Somozist mercenaries.

I remember that members of the Anti-Imperialist Tribunal of Our America, several governments represented at the OAS, and the Contadora and Support Groups made statements opposing the U.S. war escalation in Central America. I think that those statements are important, because if we remember the Malvinas case, all of Latin America became a single force supporting Argentina in its struggle against Great Britain. I think that the Nicaraguan case could turn Latin America into a single union against the U.S. Government and create an anti-U.S. feeling, which is already very widespread in the entire area.

[Cabrera] Reactions to the contra aid approval are also seen in Europe. The socialist countries' position in regard to the U.S. policy against Nicaragua is well known. In Great Britain, [name indistinct], the spokesman for the foreign affairs area of the British Labor Party, condemned the U.S. Senate approval of the $100 million and urged British Prime Minister Margaret Thatcher to deny her support for that U.S. policy. According to the British legislator, the current U.S. position is very similar to the one that appeared prior to the U.S. invasion of Vietnam. A direct intervention of the U.S. Army in Nicaragua should not be ruled out.

A situation similar to the invasion of Vietnam is the most feared event by the U.S. people and the main cause of protests in the United States.

[Otero] Well, finally, I wanted to end this brief analysis by saying that the Senate vote on Wednesday did not surprise anyone. We all knew that the Senate was going to approve the aid for the Somozist mercenaries. As I said before, the U.S. House of Representatives approved the aid in June, despite the Democrats' majority. Thus, the Senate approval was expected since it has a Republican majority. Traditionally, Republicans have supported President Reagan's policies, mainly his warmongering policy throughout the world, and especially in Central America.

I want to add what is missing now is an agreement between the Senate and the House of Representatives, to issue a definitive version on the method the financial aid will be delivered to the Somozist mercenaries. This will be in September, when Congress resumes operations.

As we all know, that will be only a simple procedure; after all, the U.S. Senate voted for the war. The U.S. taxpayers will be the ones to help the Somozist mercenaries kill Nicaraguan civilians, to kill men, women, and children as they have been doing. In the long run, it will be the U.S. taxpayers who will call the U.S. Government to account for its present actions.

Abrams, CIA To Direct Aid

PA172049 Havana International Service in Spanish 2300 GMT 16 Aug 86

[Text] Elliott Abrams, U.S. Assistant Secretary of State for Inter-American Affairs, will oversee the program of military aid to the Nicaraguan counterrevolutionaries which the U.S. Congress recently approved, White House officials have disclosed. It is believed that Abrams' new duties in the anti-Nicaragua program will be officially announced in September when U.S. President Ronald Reagan signs the law on the aid to the mercenary bands. However, it has been learned that he will control the operation through a Central America assault force directed by his assistant Robert Kagan, current head of the Office of Public Diplomacy. The operational part of the program, which includes war tactics, military advisers, and training, will be handled by the U.S. Central Intelligence Agency with the assistance of the Yankee Pentagon.

MINISTER RAMON FERNANDEZ MEETS GDR'S GERLACH

LD152341 East Berlin Voice of GDR Domestic Service in German 1400 GMT 15 Aug 86

[Text] Professor Manfred Gerlach, GDR State Council deputy chairman, had a talk with Jose Ramon Fernandez, vice president of the Council of Ministers, in Cuba today. He had further meetings with Foreign Minister Jose Viera [as heard] and leading representatives of the Cuban National Assembly.

JAIME CROMBET RETURNS FROM GDR VISIT

PA171213 Havana International Service in Spanish 2300 GMT 16 Aug 86

[Text] Jaime Crombet, a member of the Secretariat of the Central Committee of the Communist Party of Cuba, has returned to Havana following a working visit to the German Democratic Republic.

VIETNAMESE FOREIGN TRADE DELEGATION ARRIVES

PA170336 Havana International Service in Spanish 2300 GMT 16 Aug 86

[Text] Vietnamese Vice Foreign Trade Minister Nguyen Manh Cam has arrived in Havana as the head of a delegation visiting to sign the protocol for the exchange of merchandise for this year. Cuban Vice Foreign Trade Minister Jose de la Fuente welcomed the Vietnamese delegation.

BALAGUER, VICE PRESIDENT SWORN INTO OFFICE

PA161538 Paris AFP in Spanish 1504 GMT 16 Aug 86

[Text] Santo Domingo, 16 Aug (AFP) -- This morning at 1033 the new president of the Dominican Republic, Joaquin Balaguer, 78, took office.

Immediately after, Vice President Carlos Morales Troncoso took office as well. Both leaders -- elected 16 May -- were sworn in by Florentino Carbajal Suero, president of National Assembly.

Balaguer Vows To Restore Trust

PA170437 Hamburg DPA in Spanish 1817 GMT 16 Aug 86

[Text] Santo Domingo, 16 Aug (DPA) — Today Dr Joaquin Balaguer Ricardo assumed the Presidency of the Dominican Republic for the fifth time in his long political life and stated that his government's first goal will be to restore the country's trust in its public officials, to search for political harmony, and to construct a shared democracy.

Balaguer was sworn in by Florentino Carvajal, president of the Senate and National Assembly, shortly after 1030 before guests from 33 countries, including the presidents of El Salvador, Nicaragua, and Panama.

Balaguer began his inaugural speech as follows: "I return, not to produce miracles, but to courageously face the crisis which afflicts us. I return to restore the nation's deteriorated faith, to help consolidate it by alternating different parties in the government, a national democratic process."

"The first goal will be to restore the country's trust -- trust in the honesty of its public officials. All the citizens must live, convinced that the honesty of the nation's highest authorities is the best guarantee for them and their interests." He added: "Trust creates security. There is no stability without security, there are no investments without stability, and there is no development without investments."

The new president stated: "The Dominicans have been waiting a long time for a conciliation phase which will prepare the country for an era of true democratic coexistence. I hope that this conciliation is now possible in the Dominican Republic. If it is possible, we welcome it with open arms. I am prepared to establish no differences between the members of our party and those of other organizations. My main ambition is to treat all my fellow citizens on an equal basis and to serve them all with the same spirit." He added: "Within this conciliation, we also need a political truce of at least 2 years. Without that truce, we will expose the country to grave problems, such as exchanging our democratic institutions for others which are similar or worse than the ones which -- until yesterday -- served as the expression of all our vices and our traditional bad habits."

Balaguer described corruption as "the worst defect of our democracy" and asserted: "Corruption will not go unpunished in the administration which we begin today." The new Dominican president also said: "I shall not persecute anyone, because I believe that the country's problems cannot be solved except in an atmosphere of political accord."

Expanding on his government's goals, Balaguer revealed: "Within the next few years we intend to create the necessary conditions for establishing a shared democracy in the country." He explained: "My modest wish is for a democracy in which all the country's forces may participate, and in which all the sectors -- including the unions -- may participate in all the organizations and fully intervene in the national problems." Similarly, Balaguer rejected accusations that the repression against popular sectors in his country will worsen under his administration, and stated that this propaganda "is clearly the work of another party."

"I am pretty sure, sincerely sure, that I do not lie if I end this speech with the words which have been used by most of my predecessors to conclude their speeches to the National Assembly in similar circumstances. Therefore, I quote the phrase: I know that freedom will not perish in my hands." He added: "However, I would like to be more categorical and state, with my feet firmly planted on the ground, that in my hands, freedom will not be maintained by sacrificing peace, and peace will not be maintained by sacrificing freedom." The new president also stressed that he will rule the country with a new sense of responsibility, and he will offer important posts to the youths in the nation. Last, he asserted that his government is not pledged to any specific group. "I shall rule without pledges to anyone. We are not pledged to anyone, only to God and the homeland," he concluded.

Once the swearing-in ceremony was concluded, Balaguer and his special guests went to the national monument, where he deposited a wreath. He later participated in a Te Deum which was celebrated by Monsignor Nicolas Lopez, metropolitan archbishop of Santo Domingo, in the cathedral. Balaguer then went to the National Palace.

President Appoints Cabinet

PA162009 Hamburg DPA in Spanish 1941 GMT 16 Aug 86

[Text] Santo Domingo, 16 Aug (DPA) -- This afternoon new Dominican President Joaquin Balaguer issued his first executive decree, appointing his government cabinet. The appointments are as follows:

Secretary of state of the Armed Forces: Vice Admiral Victor Manuel Barjan Mufdi
Secretary of state of police and interior: Dr Juan Cotes Morales
Secretary of state of the Presidency: Rafael Bello Andino
Secretary of state of foreign affairs: Donald Reid Cabral
Secretary of state of finance: Roberto Saladin
Secretary of state of education: Pedro Pichardo
Secretary of state of agriculture: Norberto Quezada
Secretary of state of public works: Helvio Rodriguez
Secretary of state of labor: Aristides Tavares Guzman
Secretary of state of health: Dr Ney Arias Lora
Secretary of state of industry and commerce: Roberto Martinez Villanueva
Secretary of state of physical education and recreation: Andres Vanderhorst
Secretary of state of tourism: Fernando Rainieri Marrancini
Secretary of state without portfolio: Manuel Guaroa Liranzo
Administrative secretary of the Presidency: Loris Consuelo Torres
Attorney general: Julio Cesar Castanos Espaillat
Central Bank governor: Luis Julian Perez
Secretary of state of sports: Jacobo Majluta

ST VINCENT AND THE GRENADINES

PRIME MINISTER MITCHELL RESHUFFLES CABINET

FL152144 Bridgetown CANA in English 2113 GMT 15 Aug 86

[Text] Kingston, St Vincent, Aug 15 CANA -- Three St Vincent and the Grenadines Government ministers have exchanged portfolios and a new junior minister was appointed in the second Cabinet reshuffle announced today by Prime Minister James Mitchell.

Mitchell did not name a new attorney-general and minister of legal affairs to replace Emery Robertson who resigned last month.

In the reshuffle, Tourism, Information and Culture Minister John Horne takes over the education portfolio from Allan Cruickshank, who is given the Communications and Works Ministry held by Burton Williams. Williams has assumed responsibility for Horne's former portfolios.

Parliamentary Secretary in the Ministry of Communications and Works Louis Jones was named minister of state within that ministry.

Mitchell said the reshuffle was a routine one in keeping with his administrations policy of broadening the experience of ministers.

MITCHELL COMMENTS ON CARICOM COORDINATION

FL151518 Bridgetown CANA in English 1449 GMT 15 Aug 86

[Text] Bridgetown, Barbados, Aug 15, CANA -- Prime Minister James Mitchell of St Vincent and the Grenadines last night called for greater coordination of development policies in the Caribbean Community (Caricom) and urged a lowering of barriers to the free movement of peoples and finance among the 13 English-speaking countries involved.

Mitchell obliquely suggested that the real solution to the regional trade problems may lie in political integration.

He was one of three panellists participating in the region-wide Caribbean Crossfire radio programme produced monthly in the studios of the Caribbean News Agency (CANA) and which last night looked at the difficulties facing intra-regional trade. The others were Wilfred Espinet, head of the export division of the Trinidad and Tobago Manufactures Association (TTMA), and Henry Vierira, Vice President (manufacturing) of the Caribbean Association of Industry and Commerce (CAIC) based here.

...A lot of the problems we are facing in trade will still have to come back to certain forms of political integration...We have got to keep that kind of thinking very much into focus...Mitchell declared.

...We have to coordinate national development policies, as was spelt out in (the Caricom) treaty a long time ago. I don't believe this has started at all. Everybody is doing his own thing. There is need for some coordination between the governments... and working out a joint strategy for development, he added.

Mitchell called for the abolition of the requirements for Caribbean nationals to have alien land holding licences if they wanted to invest in each others territories.

I think we have got to be always opening up our minds and opening up our economies to our neighbours, he added.

Examining some of the issues in intra-regional trade, Mitchell saw the protectionist trends in the region as a reaction to the economic problems of the area.

Protectionism is really a reaction to the problems that individual countries have been going through, Mitchell said.

He singled out Guyana, where foreign exchange earnings have been low, Jamaica, where bauxite prices have declined, and Trinidad and Tobago, which has had to deal with a sharp fall in the price of oil, mainstay of the economy.

But Mitchell stressed the importance to the seven-island Organisation of East Caribbean States (OECS) of continued exports to the larger markets in the broader (Caricom).

It is, therefore, quite important to us in the OECS territories that we have access to the more-developed countries (MDC) markets, Mitchell said.

He also spoke of the reduced emphasis on multilateral approaches to trade in the community, in apparent reference for bilateral agreements.

...This is the new trend of what is taking place. Instead of Caricom functioning and operating within the framework of a treaty, we are now having quite a lot of bilateral discussions, he added.

But, he said, he believed this was only a temporary stage in the community.

Noting that he himself had already held some bilateral talks with Barbados Prime Minister Errol Barrow, and Trinidian leader George Chambers, Mitchell announced his country's intentions to hold further discussions with Port-of-Spain.

He said these will cover the questions of import licensing.

Mitchell welcomed Trinidad and Tobago's decision to remove some of the barriers to Caricom products as of September, but expressed some concern about pervious transactions.

We are quite concerned about the outstanding payments which are due to a number of traders from St Vincent who have not been able to get their foreign exchange for goods already delivered into Trinidad, he said.

SURINAME

BOUTERSE, HERRENBERG TO ATTEND HARARE CONFERENCE

FL152201 Paramaribo International Service in English 1730 GMT 15 Aug 86

[Text] Government leader Desi Bouterse and Surinamese Foreign Minister Hank Herrenberg will leave Suriname in September for Harare, Zimbabwe, where they will participate in the eighth heads of state conference of the Nonaligned Movement. This year the movement celebrates its 25th anniversary. On his way to Harare the Surinamese leader will visit Libya on the invitation of that country's leader Colonel Al-Qadhdhafi. This was announced yesterday at a press conference by Foreign Minister Herrenberg, who also informed the press that he himself will pay an official visit to Indonesia, where he will be delivering an address in Bandung.

MERCENARY INCIDENT ON UN AGENDA FOR SEPTEMBER

FL152212 Paramaribo International Service in English 1730 GMT 15 Aug 86

[Text] Suriname is to discuss the question of mercenaries at a general meeting of the United Nations in September this year. Recently, 14 mercenaries were arrested in the United States who had planned to overthrow the Surinamese Government [as heard]. Suriname will also discuss the crisis in Third World countries as a result of the unequal trade balance with industrial countries. This was stated yesterday by Foreign Minister Herrenberg at a press conference. The general meeting of the United Nations begins on September 16.

URUGUAY

PRESIDENT SANGUINETTI RETURNS FROM 10-DAY TOUR

PY162110 Madrid EFE in Spanish 1736 GMT 16 Aug 86

[Excerpt] Montevideo, 16 Aug (EFE) -- Uruguayan President Julio Maria Sanguinetti, who today returned from a 10-day trip to Colombia and Brazil, has labeled the economic agreements signed with Brazilian President Jose Sarney "significant."

Sanguinetti stated that for Uruguay, this type of agreement is "absolutely necessary," because "our future is closely linked to the possibility of the integration of our two neighbors (Argentina and Brazil).

Presidents Sanguinetti and Sarney signed bilateral agreements which will triple the current trade between the two countries. In statements to the press Sanguinetti labeled the economic agreements with Brazil "significant" and said that they are a step in the search for a Latin American Common Market. Sanguinetti and his delegation were welcomed at Carrasco airport by Vice President Enrique Tarigo, members of the Cabinet, and other officials.

President Sanguinetti resumed the Presidency at the airport, and official spokesmen announced that the president will report on his trip in the next few days. [passage omitted]

FBIS DAILY REPORT

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SELA MEETING BEGINS 18 AUGUST IN CARACAS

PA190249 Madrid EFE in Spanish 2240 GMT 18 Aug 86

[Text] Caracas, 18 Aug (EFE) -- Representatives of the 25 SELA member-states began a meeting today to refine the proposals that will be analyzed during the Latin American council's 12th meeting scheduled to be held in Lima in October.

The economic relations of Latin America and the Caribbean, in both domestic and foreign areas, are the main topic of discussion at this preliminary meeting. The gathering was opened by Sebastian Allegret, SELA permanent secretary.

Allegret stressed the importance of the event in the "complex situation" of the region, which is affected not only by "the hitherto unsolved problem of the foreign debt," but by the industrialized nations' commercial protectionism as well. He noted that industrial protectionism has become one of the region's biggest problems. "This protectionism takes the form of restrictions which the developed countries impose on the access of the region's products to their markets."

To illustrate the problem the protectionist trend of the industrialized countries represents for the Latin American and Caribbean economies, Allegret said that restrictions have been place on more than half of Latin America's exports. He mentioned both the EEC and U.S. subsidies on agricultural production as a specific case of protectionism in the region.

He also said the sale of subsidized wheat by the United States to the Soviet Union has affected Argentina. This subsidy is another case of protectionism.

In addition to the controversial topic of protectionism, Allegret referred to an issue that has recently been of concern to the Permanent Secretariat, "the alleged changes in the international economic order" fostered by industrialized countries in the financial and commercial fields. This alleged change is being promoted by the industrialized countries "without taking into consideration the opinions" of Latin America and the Caribbean.

This is why one of the objectives of the Caracas meeting is to clear the way so that, during the next SELA meeting, the region can present a consistent and unified posture on this important matter.

An additional topic to be analyzed during this preliminary meeting will be the new round of GATT negotiations. The developed countries plan to include the topic of services in the negotiations.

Allegret remarked: "We must appear at those meetings in a coordinated manner to present a consistent posture and to defend our interests." He also said that the current meeting is important because it is a technical one, where proposals on various issues which the ministers will consider during the Latin American council meeting can be outlined.

During the 5-day meeting, the SELA members will discuss three topics relevant to the economic and commercial fields. This will take place at a crucial time for a region affected by a huge foreign debt of more than $350 billion, a region that is seeking ways to overcome the crisis.

LUSINCHI ADDRESSES LATIN AMERICAN PARLIAMENT

PA161531 Caracas EL UNIVERSAL in Spanish 8 Aug 86 p 12

[Speech by Venezuelan President Jaime Lusinchi at the opening ceremony of the Latin American Parliament meeting held in Bogota; date not given]

[Text] Mr President of Colombia; Presidents of El Salvador, Honduras, Uruguay, and Costa Rica; Foreign Ministers; Ministers; Mr President of the Colombian Senate; Mr President of the Latin American Parliament; Latin American parliamentarians; ladies and gentlemen:

My words will be brief to celebrate this event which has a very special meaning of its own, because it is the result of a 20-year search by a group of visionary men, some of whom are present, Andres Townseen and Luis Leon, among others, who have steadfastedly concentrated on a great idea, during quite a difficult transit, and this idea has a possibility of becoming a reality with a strengthened Latin American democracy, thanks in part to that effort.

The presentation of this Latin American Parliament institutionalization proposal has the endorsement of the Venezuelan parliament. We fully identify with this proposal. I told this to the parliament directors during a recent visit to my office in Caracas.

This ceremony takes place within the framework of a fundamental event for Colombian democracy, and for the democracy of the entire continent. A new president, freely elected by the Colombian people, will be sworn in, and presidents from all countries have come here to render homage to President Betancur, to President Barco, and logically to the great and noble people of Colombia.

Today is the celebration of 100 years of the Colombian Constitution, one of the world's oldest and most lasting, at least in Latin America. It was written by Miguel Antonio Caro and has been strengthened during a century of Colombian history, with modifications which have converted it into one of the most democratic and modern.

This people has a noble and democratic tradition. It has had interruptions and disasters which we have all deeply lamented, most especially its neighbors, the Venezuelans, who care a lot about Colombia, not only because of the obliging Bolivarian brotherhood which unites us, but because to a great degree we are independent and because we inescapably influence one another.

This is why being at this ceremony is particularly important for me. I am an old parliamentarian. I went to Miraflores [Presidential Palace] from the parliament. My political career was spent mostly in the Congress, and of course I learned more about my people and about the American destiny than I could ever learn from any book. I learned to think, to tolerate, and to get along with others. As far as our peoples go, I firmly believe that our problems will only be resolved once we forget parceled-off criteria and we go to a real political and economic integration.

Well, let us finish, although it would be interesting if we could unfold our thoughts. It would be particularly inconsiderate if we converted this ceremony into a session of the Latin American congress. There will be time enough to talk. The important thing is to carry out this treaty. In advance I promise what has been since my own lesson and a dream: to one day see the Latin American peoples united. Above all other things, I, and allow me to use the first person which I seldom use, a Venezuelan, I am a Bolivarian, and thus I feel I am a citizen of America, and, why not, a citizen of the world.

CAPUTO ON GRAIN DECISION, UK 'HARASSING' BOAT

PY190218 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1744 GMT 18 Aug 86

[Text] Buenos Aires, 18 Aug (NA) -- Foreign Minister Dante Caputo today charged the United States with being "inconsistent" in its international policies, because while it defends free trade on one hand, on the other it subsidizes grain exports to the Soviet Union and the PRC, seriously hurting the economy of other grain-producing countries like Argentina.

The minister also confirmed that the Foreign Ministry "is gathering pertinent information to take the required steps in handling the case of the reported harassment of an Argentine fishing boat by a British Neptune plane outside the unilaterally established exclusion zone around the Malvinas Islands." Eventually, the Argentine Foreign Ministry may lodge a protest with London through the Swiss Embassy, which is in charge of British affairs in Argentina.

Once again, Caputo contended that the subsidies policy of the United States and the European Economic Community "is something that worries us," and added the government "is working on this question." He then said the Reagan government's decision seems like "an electoral strategy."

Going back to the incident involving the Argentine fishing boat, Caputo reaffirmed that the Foreign Ministry "is gathering information in order to take the appropriate steps." Caputo made these remarks at the Metropolitan Airport, before boarding a plane to go to the city of Tucuman where he will open the Seminar on Latin American Integration, organized by the university and the municipality. Caputo also said the Naval Prefecture is investigating the case. He repeated: "The Foreign Ministry is gathering information in order to take the steps the case requires. Although aggressions against Argentine fishing boats have been repeated, the case must be carefully investigated before making any decision."

The head of the San Martin Palace courteously declined to comment on the repercussions in government circles of the cost of living increase, which rose 6.8 percent in the past month. He said that "the answers must be sought in the economic area of the government." Asked about the possibility of Argentina supporting Peru -- which was declared "ineligible" by the IMF -- Caputo replied: "The government's priority is strengthening ties with Latin American countries and constantly expressing its solidarity with friendly countries." He then added: "Argentina has always shown solidarity with Peru, and the fact that our credits to Peru have been maintained is irrefutable and concrete evidence of that solidarity."

ALFONSIN: PEOPLE SHOULD 'SHUN EMPTY SLOGANS'

PY190104 Buenos Aires BUENOS AIRES HERALD in English 18 Aug 86 p 7

[Text] (NA-DYN) -- In a speech given before 8,000 people celebrating the centenary of Haedo, President Raul Alfonsin urged Argentines to "find in the present crisis sufficient imagination to project us into new fields which will prop and assert the social justice we are seeking for" and to "shun empty slogans and cheap demagoguery."

The president referred to a much-needed sense of solidarity to overcome social strife, criticizing the "pessimism and nostalgic melancholy" which makes us see the present crisis as "a sort of frustration," and not as a historical period, "which will illuminate the present so that we'll never make the same mistakes again."

Alfonsin also said it was urgent to consolidate democracy without upholding conservative attitude, but rather by promoting "creativity and change." He complained of the technological gap with industrialized nations and their policies of trade discrimination, "coupled with an internal disunity (among developing countries) which has crippled our efforts to present a common front."

Also present during the ceremony was Buenos Aires Governor Alejandro Armendariz who announced the decision to reform the provincial constitution but failed to provide a set date. The province is scheduled to hold elections for Governor by November, 1987.

Alfonsin also presided over a ceremony marking the 136th anniversary of General Jose de San Martin's death. Interior Minister Antonio Troccoli, Defense Minister Horacio Jaunarena, Lower House Speaker Juan Carlos Pugliese, and Armed Forces Chiefs of Staff Hector Rios Erenu, Ramon Arosa, and Horacio Crespo also attended the ceremony.

Retired General Manuel Laprida gave a speech exalting the "complex and overwhelming" personality of San Martin, and his "respect for the freedom of the people." The man known as the Liberator of Argentina, Chile and Peru died in France after 30 years of self-imposed exile.

CENTRAL BANK ORDERS NEW DEVALUATION OF AUSTRAL

PY181453 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1326 GMT 18 Aug 86

[Text] Buenos Aires, 18 Aug (NA) -- The Central Bank today ordered a new devaluation of the austral, by almost 1.55 percent, establishing 97.50 australes for the purchase of each $100 and 97.80 for the sale of every $100. This is the 13th devaluation since the implementation of the Austral Plan in June 1985.

COB PROTESTS U.S. PRESENCE, CALLS FOR STRIKE

PY190200 La Paz La Red Panamericana in Spanish 0000 GMT 19 Aug 86

[Text] The Bolivian Labor Confederation [COB] has ordered a 48-hour strike on 21 and 22 August in support of Bolivian mineworkers and in solidarity with the council for the defense of national sovereignty, which demanded the withdrawal of U.S. troops from Bolivian territory.

This was the main resolution adopted by the COB national meeting held today in the Teachers Union. The resolution was adopted as a result of a request from the Trade Union Federation of Bolivian Mineworkers, which wanted the COB to come out in defense of mining problems and to implement radical pressure measures. The COB strikes will also serve to demand wage increases for workers and to revive some of the bonds that were abolished by Decree 21060.

In order to find the way to implement the 48-hour strike in relation to emergency services and means of communications, the COB is going to meet on 19 August with the representatives of all labor sectors to determine case by case what to do during the strike.

It has been learned that the fuel supply services and health centers will operate during the strike. However, no decision has yet been made regarding the communications media. Massive mobilizations are also going to be held in all departments in the next few hours as part of the measures approved during the COB meeting. Therefore, on 21 and 22 August the workers who are members of the COB will stop their activities on COB orders.

Barthelemy Scores Strike

PY190223 La Paz La Red Panamericana in Spanish 0000 GMT 19 Aug 86

[Text] Interior Minister Fernando Barthelemy has labeled the attack against the house of the Oruro prefect a few hours ago as criminal.

Minister Barthelemy told the press it is not known who was responsible for the dynamite attack, but the government obviously knows where that type of attack comes from. The minister was also asked about the 48-hour strike ordered by the Bolivian Labor Confederation for 21 and 22 August throughout the country. The minister said the COB wants to implement a measure that should only be used under extreme circumstances.

PORTUGUESE FOREIGN MINISTER ARRIVES IN BRASILIA

LD182135 Lisbon Domestic Service in Portuguese 2100 GMT 18 Aug 86

[Text] Portuguese Foreign Minister Pires de Miranda arrived in Brasilia today on an official 5-day visit to Brazil. Speaking on arrival at the airport, Pires de Miranda said the main reason for the visit is Portugal's commitment to the reactivation of agreements between Brazil and Portugal.

During his visit, Pires de Miranda will exchange views on international issues, with particular reference to the situation in southern Africa. Prominent among such exchanges will be Pires de Miranda's meetings with President Sarney and with his counterpart, Brazilian Foreign Minister Abreu Sodre.

BRIEFS

COCAINE SEIZED, TRAFFICKER ARRESTED -- The Federal Police have seized 3.5 kg of pure cocaine and arrested Angelo Joaquim, a former penitentiary inmate now living in Sao Jose dos Campos. Joaquim told the Federal Police that he was supposed to have delivered the cocaine to a Bolivian citizen in downtown Sao Paulo. [Excerpts] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Aug 86 p 15 PY]

PT PRESIDENT REELECTED -- In the party convention held over this past weekend in Brasilia, Luiz Inacio da Silva was reelected president of the Workers' Party, PT, for a new period. The convention also expanded the National Directorate from 66 to 86 members. [Excerpt] [Brasilia Domestic Radio Nacional da Amazonia in Portuguese 1000 GMT 11 Aug 86 PY]

AIDS CASES REPORTED -- With 779 cases registered between January 1985 and July 1986 by the Health Ministry, Brazil is the country that has the second largest number of AIDS cases throughout the world, second only to the United States, where 22,000 cases have been discovered during the past 6 years. This information was released by Doctor (Lair Guerra de Marcelo), who is responsible for the program against sexually transmitted illnesses [Excerpt] [Rio de Janeiro Radio Globo Network in Portuguese 0300 GMT 6 Aug 86 PY]

PINOCHET SCORES SUBVERSIVES ON ARSENAL

PY182221 Santiago Domestic Service in Spanish 1700 GMT 18 Aug 86

[Relay from 7th Region]

[Excerpt] President Pinochet has said that the government will soon implement decisive measures regarding the discovery of the subversive arsenal in the 3d Region. President Pinochet made this announcement when speaking to the people of Cauquenes at a rally held at the city's Paza de Armas. This is what President Pinochet said:

[Begin recording] I would like to publicly state that we recently found a huge arsenal to be used to promote terrorism and violence and ultimately to promote an armed clash among Chileans.

We believe not only those who use these arms are responsible for this, but also those who look the other way and deny that these things are taking place. [applause] The government believes that those who bring the arms are just as responsible as those who elude responsibility.

I want to inform you that in view of these belligerent actions, which are part of a carefully planned communist strategy of armed subversion, presently accompanied by what they hypocritically call civil disobedience and ungovernability -- hiding behind laws drafted for normal situations -- we shall soon implement measures which, without alarming the people, will be decisive in the short term. [end recording]

President Pinochet also issued another appeal to non-Marxist sectors to stop violence in the country. Cauquenes was the first leg of Pinochet's 3-day tour through the 7th and 8th Regions.[passage omitted]

AIR FORCE COMMANDER SUPPORTS ARRESTED PERSONNEL

PY190257 Santiago Domestic Service in Spanish 1700 GMT 18 Aug 86

[Text] Air Force Commander Fernando Matthei made an interesting statement this morning regarding several national issues, but mainly regarding Judge Carlos Cerda's decision. General Matthei said he categorically supports former Air Force Commander Gustavo Leigh Guzman, as well as those Air Force colonels and officers who were indicted by Judge Carlos Cerda.

General Matthei said that in the name of all Air Force personnel he expressed his solidarity and support in every sense of the word for those who were arrested. Later, Gen Matthei said he trusts the Chilean justice system.

[Begin Matthei recording] The entire Air Force, all men who are both on active duty and retired, have asked me to express our categorical solidarity, and our deepest expression of affection and support in every sense of the word both materially and spriritually to General Leign, General (?Viliegas), general Ruiz, and those colonels, captains, officers and noncommissioned officers, either retired or on active duty, who have been recently indicted by the courts.

We want to tell them and the Chilean people that the Chilean Air Force knows these men who have given everything of themselves during the difficult times our country experienced a few years ago and which it is again experiencing today. These men risked their lives to grant us peace and security, and the Chilean Air Force is certain they could not have committed the crimes they are being accused of, because it has known them throughout many years. The Air Force trusts the court and has faith in these men. [end recording]

It must be noted that Gen Matthei interrupted his post-operative convalescense to hold an impromptu press conference and inform the public that those Air Force officers who are allegedly involved in the disappearance of communists will be placed at the disposal of the Chilean courts and they will have the Chilean Air Force's full support. Matthei said that Chileans know perfectly well who is responsible for the present situation Chile is experiencing.

[Begin Matthei recording] I believe that all Chileans know perfectly well who is behind these charges [passage indistinct]. [end recording]

NEW GROUP ATTACKS UPI OFFICE IN SANTIAGO

PY182300 Paris AFP in Spanish 2245 GMT 18 Aug 86

[Text] Santiago, 18 Aug (AFP) -- An armed commando group this afternoon attacked the offices of the UNITED PRESS INTERNATIONAL (UPI) in Santiago. According to police sources, this attack was intended to serve as a propaganda action by the 5 April People's Detachments [Los Destacamentos Populares Cinco de Abril]. Five masked members of this organization, which has now made its first appearance in Chile, violently broke into UPI offices and forced UPI newsmen to stay inside. According to early reports, the attackers did not release any communique but left behind a red flag with the inscription D.P.5.

SANTIAGO ARMY COLONEL RIVADENEIRA KIDNAPPED

PY181549 Paris AFP in Spanish 1457 GMT 18 Aug 86

[Excerpts] Santiago, 18 Aug (AFP) -- It was officially reported today that a colonel of the Chilean Army was kidnapped by an armed group intercepting him as he left his residence in Providencia, a Santiago neighborhood. The kidnapping occurred around 0700 when Colonel Mario Haberle Rivadeneira was getting into his car to go to his office at the Defense Ministry.

Police sources indicated that the 58-year-old colonel belongs to the Army Intelligence Service, but an Army spokesman has denied this. The spokesman explained the colonel merely handled protocol affairs for the commander of the Santiago Garrison. [passage omitted]

Initial police reports indicated that Col Haberle was overpowered by six men carrying automatic weapons. The officer tried to resist, but in the end he was forcibly placed inside the trunk of the car the unidentified assailants were using. One of the colonel's sons, a schoolboy who was accompanying Haberle, was not taken by the kidnappers and returned inside the house to inform his family.

The car used to kidnap the military man was found empty 11 blocks from the house. Policemen who participated in the wide and swift dragnet throughout most of Santiago said many men and vehicles were involved in the kidnapping.

The kidnapping of Col Haberle is the first action of this kind against a high-ranking Chilean officer during the 13 years that General Augusto Pinochet has been in power. At the end of 1985, the clandestine Manuel Rodriguez Patriotic Front (FPMR) captured a noncommissioned Carabinero for propaganda purposes but released him within 1 week. Col Haberle's kidnapping has not been claimed so far.

Conflicting FPMR Claims

PY190331 Paris AFP in Spanish 0304 GMT 19 Aug 86

[Excerpts] Santiago, 18 Aug (AFP) -- The Chilean Army today condemned the kidnapping of Colonel Mario Haberle Rivadeneira and indicated incidents of this type are a serious attack against national coexistence.

In a communique, the Army reaffirms that all actions of a terrorist nature seeking to intimidate its members will not achieve its objective, and no one will ever be able to force the Army from the path the fatherland and its people demand of it.

According to the semiofficial news agency ORBE, responsibility for the kidnapping of the high-ranking military officer -- the first in the 13 years that the Armed Forces have been in power -- has been claimed by the clandestine and leftist FPMR, which promotes armed struggle against President Augusto Pinochet's regime. [passage omitted] According to an anonymous telephone call to ORBE, the FPMR will release its prisoner within the next 24 hours.

[Madrid EFE in Spanish at 0316 GMT on 19 August reports: "A person who claimed to represent the FPMR tonight called EFE and other international news agencies to announce that the FPMR had not contacted ORBE to claim responsibility for the kidnapping."]

COURT ORDERS RELEASE OF 12 OPPOSITION LEADERS

PY190014 Madrid EFE in Spanish 2247 GMT 18 Aug 86

[Text] Santiago, 18 Aug (EFE) -- The Santiago Appellate Court today ordered the release on bail of 12 of the 13 leaders of the National Civic Assembly [ANC] who are being held in custody awaiting trial. The decision will not effect Eduardo Valencia, president of the Coordinating Board of Slum Dwellers, who is now standing trial.

The ANC leaders will leave the Capuchinos Prison as soon as they are officially notified of the court decision. Among the ANC leaders who will be released is Dr Juan Luis Gonzalez, president of the ANC and of the Chilean Federation of Professional Associations.

The ANC leaders were taken to court by the government on charges of being responsible for the acts of violence that took place during the first national stoppage staged on 2-3 July.

'CLANDESTINE' INTERVIEW WITH MIR'S PASCAL ALLENDE

PY151837 Santiago APSI in Spanish 11-24 Aug 86 pp 11-13

["Clandestine" interview with MIR [Movement of the Revolutionary Left] leader Andres Pascal Allende by Journalist Jorge Andres Richards, at which MIR second-in-command Hernan Aguilo was also present, in Santiago; date not given]

[Text] [Richards] There is a lot of talk about a military approach and a political approach to opposing the current regime. Could you tell me, how can the two coexist?

[Pascal Allende] We do not believe in two different approaches. This is something abstract.

[Richards] What I mean is this: all the opposition forces have reached agreements, through social organizations, on the peaceful means that must be used to make it impossible to rule the country. Through some organizations, you participate in the National Civic Assembly [ANC]... So what is your position?

[Pascal Allende] Our position is self-evident. We support the ANC, and we certainly favor stepping up offensive mobilization and developing a sustained mobilization. We are in favor of protests and stoppages.

[Richards] Yes, but at the same time you are talking about arming the people...

[Pascal Allende] We believe the people not only have the right to rebel and resort to any means of struggle but also that they must do so in order to attain the objective of toppling the dictatorship. Furthermore, we believe that the people must be organized as militias in order to build true democracy in Chile and to start organizing the future democratic and popular Armed Forces.

[Richards] But the problem is that Pinochet has chosen the military approach. Are you about to engage him in a face-to-face struggle?

[Pascal Allende] I believe that not only Pinochet but also the Armed Forces, U.S. imperialism, the big businessmen, and the right-wing sectors have declared war on our people. We have not declared war on anyone. All you have to do is take a look at what happened during the latest strike, at the military occupation of the country during this strike. Thus, we feel the people have the right and the duty to defend themselves from all this repression.

[Richards] But are you arming the people just to defend themselves or for a confrontation?

[Pascal Allende] Naturally, we actively support the development of armed self-defense and the organization of the "Salvador Allende Popular Resistance" militias, which are being organized among the youth, in townships, and in factories. The job of these militias is to take a hand in defensive measures, to protect demonstrator and strikers, and to engage in armed agitation against the repressive forces. On the other hand, the MIR [Movement of the Revolutionary Left] is developing combat units that are better armed and trained.

These units are used to carry out more offensive actions whose obvious objective is to destabilize the dictatorship. These guerrilla-type operations are well-known to everyone.

[Richards] Speaking of these actions, you mentioned during an interview granted to EL MERCURIO last year that 50 percent of all sabotage actions, bombings, attacks, and so forth, were being attributed to the MIR and the other 50 percent to the FPMR [Manuel Rodriguez Patriotic Front]. However, you did not attribute even 1 percent to other sectors that have also carried out attacks and sabotage, although they were not exactly of the opposition.

[Pascal Allende] It may well be my words were understood in the way you say. However, I must explain that although the interview did not distort my words, it did change the order of the questions. This gave the impression that I said all the actions were carried out by ourselves or by the FPMR. Later in the interview it becomes clear we oppose terrorist actions. The regime alone resorts to terrorism in this country through torture, murders, and government-staged attacks.

[Richards] Let us clarify this. Several recent events have drawn the attention of the people: the attack on the bishop of Osorno, the bombing at Teatinos and Alameda, and the car bomb at the Libertadores regiment. Do you claim credit for any of these deeds?

[Pascal Allende] No. These are standard terrorist actions aimed at frightening the people, and we abhor terrorism and the blind use of terror.

[Richards] What about Carol Urzua?

[Pascal Allende] We carried out that action, and we acknowledged it. Furthermore, we feel it was a legitimate and just retaliation against a person responsible for crimes against our people. It must be taken into account that Carol Urzua was a high-ranking military intelligence officer.

[Richards] Does this mean you favor taking justice into your own hands?

[Pascal Allende] Look, there is no justice in Chile. All you have to do to realize this is to take a look at Judge Echavarria's ruling [in the case involving torched youths]. We will continue to carry out actions against repressive groups. In fact, we have carried out attacks on Carabineros special units. We also attacked Manuel Contreras twice and failed. This "gentleman" is very lucky. The evil is probably on his side. But I want to make it very clear our actions are aimed only at repressive groups that murder our people. In addition to armed actions, we also engage in sabotage and we cut power lines among other things, but our actions are always carefully executed to avoid harming innocent bystanders and the people to whom we belong.

[Richards] Excuse me, but by carrying out all these actions you prompt more repression against the people, more killings, and a greater radicalization of the country.

[Pascal Allende] Look here! During the first years of the dictatorship when thousands were being murdered, actions of the kind we are staging now did not take place. However, repression has been on the rise all these years. People are being killed in broad daylight. The case of the torched youths is a good example.

[Richards] But what do you accomplish with your kind of armed actions?

[Pascal Allende] As in the case of Carol Urzua, we inflicted a blow on military intelligence. Naturally, this action was severely criticized, because at that very time the sectors of the opposition favoring negotiations were trying to launch a dialogue with the government. Under those conditions, the attack on Carol Urzua was criticized by certain political sectors, but not by the people. Therefore, we believe inflicting blows on the dictatorship is a way to mobilize and to strengthen and stimulate antidictatorial rebellion.

[Richards] But don't you believe because it is a minority force, the MIR is leaving no option to the majority of the opposition, which does not believe in war?

[Pascal Allende] You are misjudging the MIR by supposing that it sees the struggle against the dictatorship as a confrontation between two armed forces: the resistance and the regime.

[Richards] That is precisely what I want you to explain to me.

[Pascal Allende] We have a political-military strategy. We actively promote an active role for the people in social mobilization, in their own self-defense, as well as in the military struggle. In this regard, we have not yet reached the point of developing an armed confrontation against the dictatorship. Consequently, we cannot say there is a people's army struggling against the army of the dictatorship. But we do have militants who come from the masses and participate in the armed struggle. Although these are not the majority, this is not a problem because as history shows, it is not the majority that is physically involved in any revolutionary process, despite the fact that the majority supports the implementation of the different forms of struggle. Therefore, it is not our policy to carry out a "cowboy" [in English] war between the CNI [National Center for Information] and the MIR. We uphold armed struggle against the dictatorship as part of a process to promote popular rebellion, which promotes social and political organization and also the organization of the militias of the masses. Consequently, I reassert we believe there is no contradiction between one form of struggle and the other. In this regard, we have deep respect for the ANC and for the actions carried out by other political parties.

[Richards] However, there are very important national and opposition sectors insisting that such a contradiction exists.

[Pascal Allende] Yes, of course there is a contradiction for those who wish to negotiate with the Armed Forces. There is a contradiction for those who wish to negotiate with the government and to achieve an agreement leading to a transitional regime that will be democratically restricted.

It is these people who believe there is a contradiction; those who want the Armed Forces to continue to have a governing role in our institutional future and in our country.

[Richards] In this regard, how do you view the issue of the correlation of forces?

[Pascal Allende] There are great national majorities (and I am not only referring to the people, but to vast middle sectors) that demand a deep democratic change in our country. Moreover, the Pinochet regime is socially and politically isolated. The only thing it has left is military force. Without this, it would not last much longer. However, the correlation of forces cannot be measured only by Pinochet. We have to compare and measure those forces which favor a continuation of the present economic and social order, and those other forces which, like ours, favor a democratic and popular change. This is the only true social and political polarization our country is increasingly experiencing. Based on this point of view, I believe there are powerful forces that oppose a deep social and political change. Therefore, our struggle is not just to do away with Pinochet. What we pursue is a profound democratic, economic, and social change. Consequently, the correlation of forces must be measured in relation to the willingness to achieve this change.

[Richards] Based on this proposal, how do you visualize the end of the regime: Do you believe it will be a military defeat or one which involves negotiations with the Armed Forces? In other words: Will it be Nicaraguan- or Argentine-style?

[Pascal Allende] The solutuion will necessarily have to be Chilean-style, because each country has its own experiences.

[Richards] Could you explain what you mean by Chilean-style?

[Pascal Allende] We believe in the end of the regime through the development of a social, political, and military confrontation. However, this does not imply a war between two armies. It deals with an end brought about through an ungovernability caused by social, political, and military struggle. The end of the status quo will give us a chance to use different alternatives. We propose the establishment of a broad, national and popular government. However, the problem now is we are aware there is an attempt to concentrate different forces which encompass the Armed Forces, imperialism, the great business sectors, rightist sectors, and even bourgeoisie opposition trends that are seeking an agreement. This agreement seeks the end of the regime by 1989 and its replacement by a new civilian or military government, which in effect will enforce a restricted democracy. If this happens, we believe the social, political, economic, and moral crisis that this country is experiencing will not be resolved.

[Richards] Then your proposal is to immediately install a profound and popular democracy once this government ends?

[Pascal Allende] What we seek is to end the regime and achieve a profound democracy.

[Richards] Could you explain the characteristics of this democracy which you say must replace the present regime?

[Pascal Allende] The dictatorship will be replaced by an emergency government including all democratic forces.

This government must be based on popular power, that is, the conquering of a government of a democratic and popular nature which implements the measures proposed in the Chile Demands statement: To repeal the dictatorial Constitution and to call a constituent assembly, democratically elected, in which our people will sovereignly decide about the institutional future of our country; to eliminate the repressive apparatus; to reorganize the Armed Forces on a democratic basis, and to submit to trial all those responsible for the dictatorship; to dismiss those judges involved in the dictatorship and implement an exhaustive reorganization of the judicial system; to end the monopolies that control the nation's economy and to fully restablish political, and social freedoms without any restrictions. However, if the dictatorship is going to be replaced by another bourgeoisie government that will not satisfy the people's demands and will maintain the same Armed Forces, despite the fact that they send them to their barracks, we shall continue struggling for the establishment of a broad government of a democratic and popular nature. Any other type of government will be met with more rebellion and we shall be with the masses, resorting to all the forms of struggle necessary, so as to achieve the objective of establishing an authentically democratic and popular government that we have already described.

[Richards] Which is to say that you will continue the same policy you have been upholding until now...?

[Pascal Allende] Obviously.

[Richards] From the Communist Party, on the left, to the rightist sectors actively participating in the opposition, each one in its particular way is advocating negotiations with the Armed Forces. Are you willing to negotiate?

[Pascal Allende] We are not going to negotiate with the Armed Forces. We are going to fight.

[Richards] Then you are going to be categorically isolated from the others?

[Pascal Allende] We are not going to be left alone, because we are inserted within the popular movement, which emcompasses a vast majority of the country.

LONDONO SAYS BORDER SETTLEMENT 'DIFFICULT'

PA180450 Paris AFP in Spanish 0242 GMT 18 Aug 86

[Text] Bogota, 17 Aug (AFP) -- Julio Londono, the new Colombian foreign minister, admitted here that a settlement of the border disagreement between Colombia and Venezuela is difficult. He hinted at the possibility of resorting to other procedures, such as arbitration or mediation, to resolve this issue.

Speaking to Emisoras CARACOL, Londono nevertheless stressed that Colombia will make all efforts to find a negotiated solution by the two governments.

He said: "The best prcedure is direct negotiations, a bilateral agreement, because arbitration decisions or mediation sometimes elicit reactions. One of the sides always feels it has won the upper hand, while the other always feels it has been cheated. This affects the future relations between the states."

He added: "When it is evident that it is impossible to reach an accord, the sides must resort to other procedures for a peaceful solution set forth by international law, such as mediation, arbitration, or legal settlement."

Recalling that the negotiations for the delimitation of marine and submarine areas in the Gulf of Venezuela date to 1954, Londono said in conclusion: "The fact that an accord about the border disagreement has not been reached so far indicates that it is difficult. It would be unrealistic to deny it."

4 'AMERICA BATTALION' GUERRILLAS DEPORTED

PA170414 Madrid EFE iu Spanish 0235 GMT 17 Aug 86

[Text] Cali, Colombia, 16 Aug (EFE) -- Two Peruvian and two Ecuadoran guerrillas linked to the M-19 have been deported by Colombian immigration authorities. Four others remain in detention.

The Administrative Department of Security, DAS, in Cali has reported that two of the deportees are members of the Peruvian guerrilla group Shining Path, while the other two are members of the Ecuadoran group Alfaro Lives.

The guerrillas were captured by the Army recently during clashes with the America Battalion in the mountains of Cauca Department.

The America Battalion is an international rebel group formed by, among others, Peruvian, Ecuadoran, Panamanian, Venezuelan, Nicaraguan, and Colombian guerrillas, who fight the Colombian Army in the country's southwestern mountains.

The DAS identified the deportees as Sistero Garcia Torres and Marcos Murga Zelada of Peru, and Paola Andrea Montenegro Morales and Carlos Fernando Quintero Bordon of Ecuador.

The DAS chief in Cali, German Jaramillo, has reported that four additional people are being detained by a criminal investigations court.

Jaramillo added that those detained are Ecuadoreans Patricio Eduardo Belalcazar Acosta, Jose Abelardo Negrete Rodriguez, and Luz Estella Navas Merminacho, and Peruvian Amilcar Trujiool Huaman, a member of Shining Path.

ELN GROUP ATTACKS MILITARY CONVOY 12 AUG

PA160347 Bogota EL SIGLO in Spanish 13 Aug 86 pp 1, 2

[Article by Eduardo Carrillo]

[Excerpt] One noncommissioned officer and seven soldiers were killed and two others were wounded yesterday by a dynamite explosion set by leftist guerrillas on the road where a military convoy was traveling to the oil port of Barrancabermeja in Santander Department.

The initial official reports indicate that members of a group of the Castroite National Liberation Army (ELN), led by a so-called "Captain Parmenio," planted dynamite in the road from Bucaramanga to Barrancabermaja near the place known as "Puente Sogamoso."

The guerrillas initially opened fire on the military vehicles in which Colonel Elkin Antonio Focassio, chief of staff of the 5th Brigade, and 50 soldiers were traveling. The guerrillas were apparently trying to force the convoy to cross the section of road that had been mined. The jeep carrying Col Focassio and the two soldiers was not hit by the gunfire, but the truck suffered the full impact of the explosion.

The following were killed at that location: Corporal Jose Manuel Guiza Caballero and soldiers Asdrubal Gafaro Acevedo, Miguel Delgado Maldonado, Hector Espinosa Tovar, Edgar Eduardo Cruz Cruz, Orlando Jimenez Vargas, and Henry Ardila Legato. Soldiers Juan Ismael Cruz Cruz and Carmelo Nieto Romero were seriously wounded and taken to the San Rafael hospital in Barrancabermeja, while soldiers Jerez Florez and Dias Cubides were treated for minor wounds. It was later confirmed at the hospital that one of these soldiers died.

Fifth Brigade spokesmen said that in addition to firing rifles and submachineguns, the insurgents attacked the military truck with homemade bombs and fragmentation grenades after it was hit by the dynamite explosion.

Many insurgents of the rebel column were apparently wounded. The rebels fled to the mountains and are being pursued by special forces of the National Army. [passage omitted]

Soldier Killed in Antioquia

PA151922 Bogota Television Service in Spanish 1730 GMT 15 Aug 86

[Text] One soldier was killed and a noncomissioned officer was wounded during clashes with the National Liberation Army [ELN] in Necocli, Antioquia Department. The military forces seized weapons and supplies from the guerrillas.

BRIEFS

AGREEMENTS WITH ITALY -- Colombian Foreign Minister Augusto Ramirez Ocampo and Italian Ambassador Egone Ratzenberger have signed two agreemetns in the framework of the Technical and Scientific Cooperation Agreements signed by the two governments in 1971. The first agreement is for the prevention, treatment, and rehabilitation of blind and deaf teenagers, and the other involves the implementation of a technical assistance program for the training of civil air traffic professionals. [Text] [Bogota EL TIEMPO in Spanish 7 Aug 86 p PA]

CONGRESS REJECTS IMF DECISION ON CREDITS

PA190450 Paris AFP in Spanish 0433 GMT 19 Aug 86

[Text] Lima, 18 Aug (AFP) -- The Peruvian Congress tonight rejected the IMF decision to bar Peru's access to its credits by declaring it ineligible, and expressed full support for the government of President Alan Garcia.

The factions of the ruling party, APRA [American Popular Revolutionary Alliance], and the opposition faction, United Leftist Marxist Front, voted for a motion stating that the IMF did not take into account the Peruvian Government's willingness to pay according to its economic possibilities, and for this reason they reject the IMF's attitude. The rightist parties, Popular Action and the Christian Popular Party, abstained from voting because they felt that prior to supporting the government, Prime Minister and Economy Minister Luis Alva Castro should explain to Congress the policy to be followed from now on.

The approved motion was drafted by APRA and United Left officials. It urged Alva Castro to explain to the parliament the policy assumed regarding the other Peruvian creditors and the policy that is being followed concerning the Peruvian debt, which surpasses $14 billion.

PAYMENT IN KIND PLAN NEGOTIATED WITH BANKS

PY160400 Paris AFP in Spanish 1735 GMT 15 Aug 86

[Text] Lima, 15 Aug (AFP) -- Deputy Minister of Commerce Pedro Menendez Richter today reported in Lima that Peru has been sounding out 15 of the 280 foreign banks to which it owes money in order to pay in kind part of its debt to these banks, which amounts to $4.4 billion.

The deputy minister said that the talks began discreetly in March, and 15 U.S., European, and Japanese banks have expressed some interest in Peru's proposal. This proposal is based on a payment scheme agreed upon with the Soviet Union which has been in operation for the last 3 years and in which other nations have participated. Official statistics show that in 1984 and 1985, Peru paid in kind some $343.7 million owed to the Soviet Union, Romania, Czechoslovakia, Hungary, Yugoslavia, Israel, and Panama.

The proposal addressed to the banks -- which the deputy minister refused to name -- offers minerals, cotton, textile products, and engines that foreign trade companies could purchase through an agreement with Peru's creditors. Menendez Richter said that an official team is working on a list of products available for payment of the foreign debt. This list will be delivered to the Economy Ministry within 2 weeks so that negotiations with the banks can go on.

According to reports, Peru has a foreign debt of $14 billion, of which $4.4 billion is owed to foreign banks.

PRESIDENT MEETS WITH KING HASSAN'S ENVOY

PY160340 Paris AFP in Spanish 0246 GMT 15 Aug 86

[Text] Lima, 14 Aug (AFP) -- President Alan Garcia today received at Government House Khali Hanna Ould, special envoy of King Hassan II of Morocco, according to official information released tonight.

The meeting lasted 45 minutes. After the meeting President Garcia walked Hanna Ould to the main staircase of Government House where he said farewell to the Moroccan envoy with an embrace.

King Hassan II's envoy, who is touring several Latin American countries, arrived in Lima yesterday. The issues discussed during his meeting with President Garcia have not been revealed.

CIVIL GUARDS PATROL AMBUSHED, TWO KILLED

PY181627 Paris AFP in Spanish 1526 GMT 16 Aug 86

[Text] Tingo Maria, 16 Aug (AFP) -- Local police sources today reported that two Civil Guardsmen died and two others were wounded in an ambush by a column of drug traffickers and their terrorist allies on a police patrol in Aucayacu, Huanuco Department in eastern Peru.

Approximately 50 subversives armed with FAL rifles and submachine guns ambushed the 6-man patrol at a crossroads of the Tingo-Maria-Pucallpa Highway in Huanuco Department.

According to the sources, the patrol was pursuing a gang of drug traffickers that provides fuel and other supplies to the clandestine camps of drug traffickers and terrorists in the middle of the jungle. During the uneven battle that ensued after the bursting of the tires of the police vehicle, Patrolmen Juan Gernandez and Marcos Ortiz were killed and Sergeants Enrique Echavarria and Rigoberto Huapaya were wounded. According to the sources, the casualties, both dead and wounded, were evacuated to Lima today.

TERRORISTS CARRYING 'HIT LIST' ARRESTED IN LIMA

PY141652 Paris AFP in Spanish 1456 GMT 14 Aug 86

[Text] Lima, 14 Aug (AFP) -- It was reported here today that the police yesterday arrested a Maoist Shining Path unit and confiscated a hand grenade, guns, ammunition, and what is believed to be a hit list of senior Army officers. There were a total of 11 dynamite attacks last night in Lima and the neighboring port of Callao against banks and government offices. The attacks caused substantial damage, but no injuries.

The five alleged terrorists are Lourdes Carpio, a professor at San Marcos University, and four students, who have also been identified. They were arrested while acting suspiciously on a street in Mirones district.

The 54th Civil Guard office has reported that the group was planning to murder some Army officers and that one of them was carrying guns and a notebook with names of several Army colonels. A sixth terrorist, who was carrying a submachine gun, managed to escape.

A pickup truck bomb exploded yesterday outside a Civil Guard office in Huancavelica, 522 km southeast of Lima. The blast caused injuries and damage to the police office and neighboring houses. The pickup truck that was used for the attack was completely destroyed.

ANTIDRUG CAMPAIGN MUST INCLUDE ADDICTION ASPECT

PA181342 Mexico City EXCELSIOR in Spanish 15 Aug 86 p 6-A

[Editorial: "The Joint Antidrug Struggle"]

[Text] The agreements and disagreements of the fifth meeting between Presidents Reagan and De la Madrid in Washington stem from the varying degrees of similarity and the heterogeneity of the topics discussed.

The war against drug trafficking and the consumption of drugs stand out among them, although the latter problem pertains primarily to the United States, because the final destination of drugs is the United States.

Thus, the marked vigorous tone of the conclusions reached by the presidents regarding this problem does not surprise us; they plan to "launch a large-scale coordinated border campaign against the illegal drug trade into the United States and arms into Mexico."

It is obvious that the border area is involved in both flows, because the traffic of drugs and arms is reciprocal. However, we must note there are serious difficulties obstructing efforts to curb drug and arms trafficking with border surveillance alone; the case of drug trafficking deserves a special reflection.

We conclude that a genuine campaign against the criminal drug trade involves a similar measure against drug addiction; so long as there are addicts in the richest country in the world who can afford to nurse their addiction, no border campaign will overcome the traces of frustrating past experiences.

GOVERNMENT EXPLAINS FUEL PRICE INCREASE

PA181636 Mexico City XEW Television Network in Spanish 1300 GMT 18 Aug 86

[Text] Noting that the recent gasoline price increase has led to legitimate concern in the community, the Inter-Secretariat Commission of Public Sector Prices and Rates issued an official communique explaining this price adjustment.

The communique noted that the hydrocarbon prices have been falling on the international market and the consumers of the importing countries have benefited from this situation.

This is not the case here because the export of petroleum represents a very important source of revenue for the public sector which has permitted the financing of projects the community demands, including the construction of hospitals, schools, and waterworks and the improvement of basic services. In view of this situation, the government ruled out the suspension of basic projects or printing more money and decided to adjust the prices of the petroleum products.

The communique noted the price of gasoline in Mexico is 10 percent lower than in the United States, a country with one of the lowest gasoline prices in the world. A similar situation occurs with the prices of diesel, fuel oil, and liquified petroleum gas. The communique reiterated that gradual periodic adjustments in the previously mentioned prices have already been announced, and it added that they will be lower than the ones recently made.

CUSTOMS FINES PIA VESTA $11.4 MILLION

PA080430 Panama City ACAN in Spanish 2341 GMT 6 Aug 86

[Excerpt] Panama City, 6 Aug (ACAN-EFE) -- The Danish vessel Pia Vesta, which was captured in Panama with an illegal load of weapons bound for a mysterious destination, must pay a total of $11 million to leave the country, it was officially reported today.

The regional customs administration set the amount to be paid at $11.4 million on 15 June, but the attorneys of the owner of the vessel, Danish citizen Jorgen Jansen, appealed the decision. The appeal was rejected today by the appeals office of the General Customs Directorate for lack of grounds. [passage omitted]

Arms Reportedly for El Salvador

PA181910 Panama City CRITICA in Spanish 18 Aug 86 p 1

[Text] "David Duncan tricked me. The weapons on the Danish vessel Pia Vesta had only one destination: El Salvador," replied Emilio Ortiz de Zevallos to CRITICA shortly before giving a deposition at the Technical Investigations Department of the General Directorate of Customs of the Finance Ministry.

Ortiz de Zevallos added that from my conversation with David Duncan after I was surprised by the capture of the Pia Vesta and by the fact that yesterday the newspaper EL DOMINICA published a 'Bill of Lading' [preceding three words in English] dated 29 April 1986 which clearly showed that the Pia Vesta cargo was headed for El Salvador." [quotation marks as published]

Ducnan, a well known gunrunner, told THE MIAMI HERALD last week that the arms were for El Salvador's Christian democratic regime and that their destination was the port of Acajutla.

Duncan, who said that he had received death threats from the West German Baader-Meinhof gang, warned Emilio Ortiz de Zevallos: "If you speak up, I will send you a messenger."

Ortiz de Zevallos works as administrative manager of Terminales Chiriqui, Inc, (Techisa). He said: "All of Duncan's papers claiming that the arms were going to Peru are totally false. The documents dated 30 April 1986, which he forged and which sought to involve the Peruvian Army and Government, do not have any consignee or specific names, because no one in Peru knows what 'Sinato International,' the company Duncan invented to receive the weapons, is."

"During my conversation with Duncan, who spoke to me from Miami, he assured me that El Salvador was going to get the shipment of weapons. He read me the following address: Salvadoran Armed Forces, Joint Chiefs of Staff No 002158 [as published] signed by Adolfo E. [as published] Blandon, chief of the Joint Chiefs of Staff, and a big seal on that same side, and another on the left side which read OB/MEG" [not further identified], Ortiz de Zevallos added.

"Duncan also told me that he had talked with the U.S. Defense Department regarding the weapons," Ortiz de Zevallos noted. On this matter, he also said that Duncan had revealed to him that "he could send the weapons to the Howard Air Base and speak to U.S. Colonel Elvon Cummings about it."

COURT RULES INTERCOMSA CONTRACT CONSTITUTIONAL

PA182013 Panama City LA PRENSA in Spanish 18 Aug 86 p 1

[By Franklin Bosquez D'Giovanni]

[Text] Justice Camilo O. Perez noted his reservations regarding the [Supreme Court's] decision involving Intercomsa [Intercontinental of Communications Via Satellite, Inc.] He said it is unacceptable at this stage to have the state's sovereignty "diminished" by leaving international communications in private hands.

Virgilio A. Hernandez filed charges on the alleged unconstitutionality of Contract No 9 of 21 December 1966 signed with Intercomsa to install and operate commercial international telecommunications service in Panama.

Hernandez filed his petition through lawyer Adolfo Alberto Benedetti, asking the Supreme Court of Justice to declare the entire contract unconstitutional, alleging it violates Articles 45, 46, and 280 of the Constitution.

The court's decision, proposed by Isaac Chang Vega, stated the contract is not unconstitutional because, although most of the company's capital should be national, there is no "specific prohibition" regarding the participation of foreign capital in private companies for public services.

Justice Perez -- the lone dissenter -- said the contract "flagrantly violates" Article 280 of the Constitution.

"If we analyze the contract in its entirety, we can see that the state -- and this cannot be denied -- is placed in a pejorative and diminished position, and a private company is given all the rights. The leasing company can even transfer those rights to a foreign company or to a foreign power," Perez stressed. He said he is concerned over the situation, which practically means that the state has signed a lease contract, [contrato por adhesion] as would any private company.

He added: "It is unacceptable at this stage to have the state's sovereignty diminished, and to have a public service such as communications, which should be directly managed by the state, unconditionally subject to the will of a private enterprise."

According to Perez, satellite communications are a strategic public service which can be used by the national government to promote its initiatives. Furthermore, the government has a right to planning secrecy so that its policy will always benefit the people based on social and public interest, he said. "This is particularly true at this crucial time, when so much effort is being dedicated to recovering what for Panamanians represents more than fantasy, a dream: the administration of the Panama Canal."

The Supreme Court of Justice should protect those functions, which are not only contingent but necessary, Justice Perez stressed.

EL SALVADOR

VIERA DISCUSSES PREPARATIONS FOR REBEL MEETING

PA190135 San Salvador Radio Cadena YSU in Spanish 1800 GMT 18 Aug 86

[Passages within quotation marks recorded]

[Text] The attempt of Salvadoran political parties to reach a consensus proposal to be considered in the third dialogue has been at a standstill since meetings began 4 August. However, Deputy Culture and Communications Minister Roberto Edmundo Viera reported today that meetings could be renewed this week.

[Viera] "There have been no new developments. We are hoping the various party leaders can meet this week. Since that meeting with the press at the Camino Real Hotel, it has been impossible, for several reasons, to arrange a new meeting. We think there will be a meeting of the parties this week. This way, a stance by the political parties could be agreed on. But there is nothing specific so far."

Viera said the parties are willing to meet to clarify concerns about the talks between the Salvadoran Government and rebel representatives.

[Viera] "We have talked to the leaders of some parties, and we believe that a willingness exists. I think we have to clarify some concerns about the talks. Because political parties are institutions dedicated to eminently political matters, they will undoubtedly be concerned about political factors or how the talks will be handled from a political viewpoint. In this regard, it is good to sit down and clarify some things. The talks are a mechanism to seek peace, and their success will benefit all of Salvadoran society, not just a specific party or political institution. These are the most sensitive aspects of the talks. It is in this regard that we must clarify the concerns which various political institutions may have."

Viera said the government delegation will travel to Mexico Tuesday or Wednesday. However, he did not guarantee that the preliminary talks will be held at the Salvadoran Embassy in Mexico.

[Viera] "The commission that will go to the preparatory meeting will be leaving for Mexico City 19 or 20 August. Hopefully, the site of the meeting will be settled. As far as the Salvadoran Government is concerned, we proposed the embassy because it is Salvadoran territory. The other side complained that that site was well-known, therefore precluding a private meeting. We think that the meeting site in Mexico is secondary. The main thing is to sit down with the commitment to decide the date, place, and time for the third round of talks. In any case, our commission will be there, and an alternative site is possible. The problem with the other side's proposal is that they have shown a negative attitude regarding the site without suggesting an alternative. Even if there is no specific proposal, the government commission will be in Mexico City at the Salvadoran Embassy on 20 August. If we can look for another site from there, let us look for another site.

"For this reason, we want to tell the Salvadoran people again that President Duarte, fully aware of the importance of this meeting, appointed this commission at the highest level. This commission is truly representative. It is authorized to negotiate the place and date of the third round of talks. In other words, the commission is fully authorized to make decisions.

"We hope that the other side respects the importance of this commission. We also hope their representatives are authorized to make decisions. Otherwise, the dynamics of this preliminary meeting could be hampered."

Viera denied that the Salvadoran Government has failed to discuss the meetings with Mexican authorities, as the guerrillas have argued.

[Viera] "What they say is completely false. We reported that when we gave our proposal to Msgr Rivera y Damas we contacted our ambassador to Mexico. He reported the Salvadoran Government's wish to hold this meeting to the Mexican Foreign Secretariat. The Mexican Government is aware of this. An initial conversation about this has already been held. I think we could give some more information today or tomorrow. We cannot report on this now, because talks are in progress. We have to get in touch with the Salvadoran Foreign Ministry to know the correct procedure. It is, therefore, completely false that no contact was sought. This contact consists of reporting to the Mexican Government our intention to hold this meeting. I can tell you that the Mexican Government views this meeting positively. The mechanical procedure, in which the Mexican Government would have to intervene, could be clarified later."

Viera said the FMLN-FDR's assertion that the government is not willing to hold a dialogue is false. He added that the best proof of this is the various proposals presented by the guerrillas since 1 June, when President Duarte proposed the third round of talks.

Rebel Delegate Comments

PA190052 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 18 Aug 86

[Interview with Jorge Alberto Villacorta, member of the FMLN-FDR, by Rene Hurtado; date and place not given -- recorded]

[Text] [Hurtado] This is an interview with Jorge Alberto Villacorta of the FMLN-FDR. He is one of the persons designated by the rebels to attend the preliminary meeting in Mexico on 20 August. Mr Villacorta, do the fronts have an alternate site for this meeting, other than the embassy, as the government has proposed?

[Villacorta] The meeting cannot be held at the embassy because no privacy could be enjoyed there. The government has insisted that this will be a private meeting. Consequently, the site chosen must meet a minimum of conditions. The government made the mistake of publishing the name of the site proposed well in advance. For this reason, the embassy is no longer a private site. Some journalists have already planned to set themselves up with full gear, including tripods, to report on this meeting. The people think that if this meeting is not held at the embassy, it will be held at the ambassador's residence. The two sites do not meet the privacy requirements. This is why we have insisted that the meeting be held elsewhere.

In addition, the site chosen must be neutral. For us, the Salvadoran Embassy represents Duarte's government rather than the Salvadoran people. This is our view. This is why we suggest that the meeting be held elsewhere. As host country, the Mexican Government can and should offer a much more suitable place. This government has more than enough experience in this kind of matter. We hope to have a suitable site soon. As you will surely understand, the site must be an entirely private one.

[Hurtado] I suppose the fronts could not report the name of the place that they propose. This name would have to remain a secret to some extent.

[Villacorta] Our specific proposal is to let the Mexican Government suggest a proper place. [Sentence indistinct]

[Hurtado] Specifically regarding the preliminary meeting, how would the news media be able to report on the results of this meeting?

[Villacorta] During the preliminary meeting on 20 August, one of the things we will consider and on which we must agree is the manner in which we will report to the public, the international community, and, of course, to the Salvadoran people. We would have to agree with the Salvadoran Government's representatives on the manner of this reporting. Rest assured, however, that we will report [words indistinct].

[Hurtado] What topics will be brought by the fronts for discussion?

[Villacorta] This meeting [words indistinct] will be solely to talk about the preparation for the third round of talks to be held in Salvadoran territory. We will consider only the place, date, and security aspects of the third round of talks. We will discuss the transportation of the participants, their security, and the duration of this round of talks. These are the things that we will discuss. We will not consider any topic in depth, only the points, let us say, four or five of them. We will not discuss anything else.

[Hurtado] Will the fronts insist that the dialogue be held in San Salvador?

[Villacorta] Just as we have proposed, we will insist that the meeting be held in San Salvador.

[Hurtado] What do the fronts think of the government's designating a member of the [words indistinct] organization, described as progovernment, to participate in the meeting?

[Villacorta] We have said we wondered about the designation of this gentleman, not because he belongs to a labor or whatever organization, but because we will discuss the operational, administrative, and logistical aspects of the meeting. Consequently, we will reach accords with the government regarding security, date, place.

(?He) could do too few things, unless he is a representative of the security organizations, Ministry of Transportation, the Foreign Ministry, or something similar, where he can make commitments regarding the operational aspects of the meeting. We have wondered at the designation of this gentleman, who cannot make any commitment of any sort; he just cannot. Now, we will ask that he and trade union leaders be present as observers at the dialogue's third meeting, when we will certainly discuss things in depth. We feel the presence of this gentleman is quite absurd, considering that we will discuss only the place, date, and duration of the meeting.

[Hurtado] What do you think about the other members of the delegation?

[Villacorta] The delegation looks quite large, that is all. Anyway, this is the government's prerogative. I am afraid their delegation has quite a few people. We suppose these people are very busy in more important matters related to their jobs. Anyway, it is the government's prerogative to send such a large delegation. We designated a delegation of our fronts in accordance with the purpose of the meeting, that is to say, to reach an accord on operational and administrative matters.

[Hurtado] Regarding the exchange of Colonel Avalos for numerous persons detained in the country's prisons, we understand that you will get a list of the persons who could be included in this exchange of prisoners, as you describe it. Will this take place in Mexico, and will the mediator deliver these papers to you?

[Villacorta] As the mediator, Msgr Rivera y Damas told us that he will bring us the list that has been drafted by the various humanitarian organizations and institutions. This will take place apart from the preliminary meeting. We will get this list [words indistinct]. But this will occur entirely apart from the meeting.

BLANDON: PIA VESTA ARMS NOT DESTINED LOCALLY

PA182244 Paris AFP in Spanish 2142 GMT 18 Aug 86

[Excerpt] San Salvador, 18 Aug (AFP) -- The Salvadoran Army denied today that the arms shipment confiscated from the Danish vessel Pia Vesta in June in Panama was destined for El Salvador. General Adolfo Blandon, chairman of the Joint Chiefs of Staff, told reporters today that the reports originating in Panama "have no validity whatsoever." He said that it was not true that the weapons, some of Soviet manufacture and sent from the GDR, were to be traded for coffee in the Salvadoran port of Acajutla and sent to anti-Sandinists in Honduras.

Blandon added: "We would not be trading coffee for communist weapons, as our professionalism does not allow us to be involved in such international crimes." [passage omitted]

GUATEMALA

DEFENSE MINISTER ON REBEL STRATEGY, CONTADORA

PA190401 Guatemala City PRENSA LIBRE in Spanish 18 Aug 86 p 19

[Text] Quezaltenango -- The subversives have adopted a new strategy in confronting the government, Defense Minister Jaime Hernandez Mendez said during an interview here.

Hernandez Mendez said that clandestine armed groups have intensified their activities during the past few days due to logistical support from countries in the Soviet orbit and their allies.

Nevertheless, the Guatemalan Armed Forces, showing a patriotic and professional spirit, are using every means available to control the rebel actions.

Regarding the Contadora Group, Hernandez Mendez said: This group might not be able to achieve the objectives sought by the Central American countries, simply because Nicaragua will not accept the norms in the group's draft document.

HONDURAS

PRESIDENT DENIES PLANE DOWNED BY SANDINIST FIRE

PA181706 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 18 Aug 86

[Passages within quotation marks recorded]

[Text] Some European stations have suggested that the Honduran Air Force Hercules C-130 airplane was downed by Sandinist antiaircraft fire. However, the Honduran president has ruled out that theory. He also said that families of the victims of the air disaster who need government help will obtain it. In remarks to Radio America, President Azcona said that it was an accident and that such accidents will continue to occur in the future, just like train and car accidents. We repeat: President Azcona has ruled out the possibility that the Hercules C-130 was downed by Sandinist fire, as some European stations have reported. Here are the president's remarks to our reporter, Alejandro Casco:

[Casco] On 16 August members of the Armed Forces, through their commander, General Humberto Regalado Hernandez, and the Honduran president attended a ceremony at the 1st Infantry Battalion to pay a last tribute to the soldiers who died in the airplane accident that has shaken the national public. Regarding this tragic accident, President Azcona said:

[Azcona] "As all the Honduran people feel, this is a very painful event, because (?61) Hondurans have died in an unfortunate accident."

[Casco] When President Azcona was told that European stations have reported that it is not ruled out that Sandinist antiaircraft fire caused the tragedy of the Hercules C-130 plane, he said:

[Azcona] "I have spoken with the military and with the Honduran Air Force, and so far nothing of the sort is suspected."

[Casco] Azcona was asked what his government will do to help the relatives of the soldiers and officers who died in this airplane accident.

[Azcona] "The Armed Forces have a military (?welfare) institution that covers the officers and the troops. If the government can in some way help the relatives of the officers and troops who died, we will do so."

[Casco] Azcona was told that the airplane had previously suffered two mechanical failures, and he was asked whether he will order a thorough investigation to prevent this in the future.

[Azcona] "No, I do not think it had had serious mechanical defects. The Honduran Air Force is very responsible, and if the plane had some defect, it would not have been flown. Look, accidents happen. Airplanes, helicopters, cars, trains, all vehicles suffer accidents. [Words indistinct] airplanes of the world airlines, and they will continue to occur."

REGALADO DENIES DIVISION WITHIN ARMED FORCES

PA190057 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 18 Aug 86

[Interview with General Humberto Regalado Hernandez, commander of the Honduras Armed Forces, by Juan Bautista; place not given -- live telephone relay]

[Text] [Bautista] Dear listeners: Regarding remarks just made by Enrique Ortez Colindres [former Honduran ambassador to the United Nations] we have on the line General Regalado Hernandez, who wants to explain his views. Good morning, General, go ahead.

[Regalado] Thank you, Juan Bautista. First, I want to thank the station publicly for the praiseworthy work carried out in informing the Honduran people about the accident (?we suffered) and the grief that we are feeling because of it. We are eternally grateful to the radio station. In addition, I agree with some of the views expressed by Ulloa Duarte [not further identified] and Ortez Colindres. However, I want to refute the statement that there is division within the Armed Forces. I wish they would be more explicit when they talk about division within the Armed Forces, because it seems that these remarks encourage certain people who are interested in showing that living under a democracy is not the best way to live.

Perhaps there are certain sectors of a sister nation that may be paying certain people -- I do not mean Ortez Colindres -- to try to destabilize this government. The only one who would benefit from this would be the Sandinist Government of Nicaragua. It does not want any competition, which is what living under a democratic system entails. It seeks sufficient reasons to say that the democracies of the Western Hemisphere are no good.

Consequently, I do not agree with the idea that there is any division within the Armed Forces. I reject this. We are very concerned in the Armed Forces. We are also very busy planning everything that pertains to national security, inside and outside the country. Thus, we have enough work to do. We have enough problems. Instead of being divided, we are united to fulfill the sacred mission given us by the Constitution of the Republic. Thank you HRN. Thank you Juancito. I felt it was necessary for me to clarify this.

[Bautista] We thank you for calling, General. We also want to take advantage of this opportunity to ask you a question. What is your opinion about this campaign being carried out by the international press regarding a division within the Armed Forces, and particularly about reports saying that there is a division as far as wanting to hoard or to manage the funds given to the Nicaraguan counterrevolution by the U.S. Government?

[Regalado] This is completely absurd. We have no interest [in that]. It is not possible to make a generalization because of the remarks made by one person. On the contrary, we are worried because the strategy of the Communist Party of Honduras [PCH] includes three aspects which we must stress within the country's internal policy. They are doing this as a commitment to the Sandinist government, because of the financial support and advice that the Nicaraguans have given local communists to get the terrorists out of jail. In return, the PCH and the leftist groups have said that they must support Nicaragua by [words indistinct], discrediting the Honduran [as heard] counterrevolutionaries and calling for the expulsion of U.S. troops from Honduras.

They are worried about the security that Honduras has, as was publicly expressed by the U.S. President. They are worried about the treaty that was ratified by President Azcona. They are very worried about it because they know that the minute they trespass the Honduran border with the huge quantity of weapons they have, the United States will be on Honduras' side, defending Honduran territorial integrity.

The Sandinists wish they had a similar treaty with the Soviet Union so they could guarantee their security, just as Honduras does with the United States; this is a deal which is disadvantageous for the communists. This is why they have established this strategy which covers three aspects. The Honduran people must be careful about them. Congress should not become a sounding box for their strategy. I want to clearly stress that this strategy covers three aspects.

[Bautista] Unfortunately, our connection with Gen Regalado has been cut off. He was going to expand on the three aspects. We are going to try to restore the connection.

Dear listeners, we were talking with Gen Regalado, but we were cut off. However, the three aspects he was referring to as those used by the Honduran Communists to harm the Armed Forces are: 1) discrediting the Nicaraguan counterrevolution; 2) promoting the expulsion of the U.S. troops from Honduras; and 3) reviving the missing persons issue. Gen Regalado said categorically that these three aspects are being used by the Honduran Communists to try to divide or discredit the country's armed institution.

NICARAGUA

ORTEGA HOLDS NEWS CONFERENCE IN SANTO DOMINGO

PA181206 Managua Domestic Service in Spanish 1729 GMT 17 Aug 86

[News conference given by President Daniel Ortega Saavedra from the studio of an unidentified television station in Santo Domingo -- live relay; broadcast in progress]

[Excerpt] [Moderator] ... personalities and friends of President Ortega. Would you like to begin by saying something, or shall we turn you over to the journalists at once? [laughs]

[Ortega] Well, first of all, a warm embrace from the Nicaraguan people for the Dominican people. [Words indistinct] for the opportunity of communicating directly with the Dominican people. Thank you very much.

[Moderator] We would like the various journalists to identify themselves and the news media to which they belong. The question and answer session can commence whenever you see fit. We will try to speed things up, because the president must be out of the studio by 1415.

[Iversal] Manuel Iversal, information director for Radio Commercial.

[Moderator] You can start, you can start.

[Perpena] Raul Perpena of EXCELSIOR of Mexico. Mr President, it had been said that you would meet with Cardinal O'Connor of New York. This was even announced in the press. A report was published today denying any contact. We want to know what contact was made and with whom.

[Ortega] I got in touch with Cardinal O'Connor in Nicaragua last year. When I arrived in Santo Domingo a common acquaintance proposed a meeting with Cardinal O'Connor here the day after I arrived, at the home of [words indistinct]. It is not the home of the Santo Domingo archbishop. I read in the newspapers that the archbishop denied any such meeting at his home. I understand Cardinal O'Connor was urgently called back to New York. He left me a note regretting that he was not able to meet with me. He also said he would write to me and that our meeting is still pending. He is particularly interested in the specific case of [words indistinct] of the Nicaraguan foreign minister, who belongs to the Maryknoll Order, the main office of which is in New York. The cardinal wants to discuss the matter with them because he belongs to the New York diocese.

[Reporter] Mr President, how will your government tackle this double front in the Nicaraguan conflict? The first one is domestic and the second is international. The first is the result of the confrontation with the church and the closure of newspapers, while the second is the result of the aid that the United States has earmarked for the counterrevolutionaries who are struggling in your country. How do you plan to cope with this situation?

[Ortega] We have an external problem, that is, the war that the United States has declared on Nicaragua and that is being discussed at the U.S. Congress. This war affects all Latin American peoples, all of whom are demanding that the United States change its policy. The Contadora and Lima Groups have also demanded this. The problem must be handled by the international community, because anything done to Nicaragua could also be done to any country in the world. The idea is to uphold respect for law, respect for international legal order.

As for our country's domestic situation, we were not acquainted with democracy in Nicaragua. With the revolution, however, we began to construct democracy. War happened to us later. This was has provoked obstacles that have prevented us from developing democracy. In addition, political tensions with some Catholic Church members have been created. The Catholic Church people have their own view and conflicts. Some agreed with Pope John XXIII's preferential treatment for the poor, while others did not. There are priests in the Nicaraguan Government. We would like to have more clergymen in the government. We do not have any trouble with the church or religion. This is to say, all the churches, including Evangelicals and Catholics, participate in the people's religion. There are, however, problems with the political postures of some church members. These are in the process of being solved, however.

Before leaving Nicaragua, I met with the representative of the pope. We discussed the problem. He talked to Cardinal Obando y Bravo and the Nicaraguan bishops. We have agreed on a meeting to be held in September to consider these problems and solve them.

[Rojas Leon] Ricardo Rojas Leon of ULTIMA HORA. Mr President, although you and other commanders of the Sandinist revolution have described the process you direct in your country as a revolution in the context of the principles of nonalignment, political democracy, and mixed economy, some sectors that peacefully oppose your government, such as the COSEP [Higher Council of Private Enterprise], the National Central Organization of Nicaraguan Workers [Central Nacional de Trabajadores Nicaraguenses], the PSC [Social Christian Party] and some sectors of the church understand the Sandinist revolution to be oriented in other ideological directions. It has even been said that the Nicaraguan Government is a Marxist one. Pardon me for reiterating my question. Are you a Marxist?

[Ortega] I am a Sandinist. Christian feelings caused me to begin opposing Somoza. I belong to a people with deep Christian roots. I believe in a Christ who favors the poor and justice. The first doctrine that I was familiar with was the Christian doctrine. Later I encountered Sandino and, even later Marx. Marx has also fostered the workers' well-being. So, the two are not incompatible. Now there is political pluralism in Nicaragua. We have seven political parties in our country.

We are accompanied by Mauricio Diaz, vice president of the national consistent assembly and president of the Popular Social Christian Party. His is an opposition party which participated in the elections. He has his own views. He could also tell us something about pluralism in Nicaragua.

[Reporter] You said a short while ago that, like Christ, you became interested in the social problem at the beginning and that you encountered Marx later. Do you believe in Marx now?

[Ortega] I believe in man. I believe in the doctrines at the service of mankind. I believe that Christianity serves mankind. I also believe that Marx, from another perspective, contributes a doctrine to serve mankind.

[Lomo] Miguel Lomo of AFP. Mr President, you have said that the idea is to establish an integrated democracy in Nicaragua. Could you give us some details about the nature of such a democracy?

[Ortega] The idea is not just to hold elections every few years to construct an integrated democracy. See? We have held elections in our country as a part of the domestic process. We feel, however, that elections must be held so that the people can choose among the various political alternatives presented. However, in addition, these elections must be accompanied by specific tasks leading to the democratization of wealth, that is to say, a better distribution of wealth. Nicaragua is a deeply Christian country where everybody, from the wealthiest to the poorest, claims to be Christian. Now we appeal to the wealthy and tell them: What did Christ say? We must share our wealth. This is what we ask of the wealthy in Nicaragua, to share their wealth with those who have less. In other words, we do not oppose the rich and do not try to eliminate them, but we do ask them to act as Christ demanded, to share their wealth.

[Reporter] Continuing with Christianity, Mr President, you said you have gotten in touch with several Dominican sectors. We would like to know if these sectors include some Christian religious groups.

[Ortega] Yes, we had a meeting with some priests -- some 100 priests -- Catholics and some representatives from other evangelical churches of different denominations. We had a very fulfilling meeting, as naturally there is concern regarding the religious situation in Nicaragua, because the idea exists that all revolutions have to clash with religion. In Nicaragua that cannot happen, because Christians, priests, and religious members have participated since before the triumph of the revolution in the transformation process, and they continue participating. Therefore, it is part of the social, spiritual, and integral transformation process [words indistinct].

[Reporter] This question probably warrants two replies: First, how do you visualize the damage to Nicaragua by the war; especially with regard to the U.S. help in maintaining this war; and second, what future developments do you see against any Latin American country, especially in Central America, or with regard to U.S. activities against Nicaragua?

[Ortega] Well, I talked to the Central American presidents on 25 May in Guatemala, in the city of Esquipulas -- a religious symbol for all the Central American countries -- and there I understood the consensus that none of them want war. None of them agrees with the policy of force the United States uses in Central America. None of them would back a U.S. invasion against Nicaragua. However, U.S. pressures against these Central American governments are very great. There you have the mercenary camps on Honduran territory, the military bases in Honduran territory. The threat from Honduran territory exists, even though the Honduran Government does not share this policy. Therefore the prospects are complex. The United States has become more directly involved in an interventionist war process against Nicaragua.

What is the war doing to Nicaragua? It is leaving death, grief, and sacrifice among the people, because even where we build a school, the counterrevolutionaries come and destroy the school. Where we build a health center, the counterrevolutionaries come and destroy the health center. Where we build cooperative centers for the peasants, they arrive and destroy the cooperative centers. This is something really dramatic, because these mercenary forces are not fighting the EPS -- they shy away from these clashes -- they are attacking the Nicaraguan people, killing women, old people, children. There have been more than 31,000 war victims during the last 5 years.

[Reporter] Mr President, when one analyzes the crisis your country is going through in these international forums, even within the Socialist International -- its president for Latin America is here with us, Dr Pena Gomez -- there are sectors that have said that the U.S. presence in the Central American conflict, as it has been called during the last few years, is really intervention, but that there is also Soviet intervention. It has been said that Nicaragua is a country that, although it defines itself as nonaligned, is aligned with the USSR; it receives Soviet assistance and backs the guerrillas in El Salvador. Some people say you are leftists. Do you believe, as certain liberal, democratic sectors of the Socialist International believe, that the interventionism in Central America is not only North American, but that there is also Soviet intervention; or do you believe that there is only intervention on the part of the colossus of the North?

[Ortega] I understand and interpret serious international opinion, that this is a North-South problem and not an East-West problem. [Words indistinct] a problem of the USSR intervening in Central America. [passage indistinct] Nicaragua is alert to verification in the sense that in Nicaragua there are no Soviet bases. In Nicaragua there are no Soviet military troops. In Nicaragua we do not carry out military maneuvers with the Soviet Army. On the other hand, in Honduras there are U.S. troops. There are U.S. bases in Honduras. In Honduras military maneuvers are carried out by the United States. The truth is that the United States has occupied Honduras, not to help Honduras but to attack Nicaragua. In Nicaragua such Soviet military presence does not exist.

What is it? It is a pretext. They have always used an excuse to attack Nicaragua. Last century, in 1855, even then the United States arrived in Nicaragua, invading it with its expansionist policy. The USSR did not exist then. In 1909 it overthrew a government, in 1912 it intervened with its troops; the USSR still did not exist. Then one must say that this is not really a new policy. It is a very old policy, a bad policy, and the United States has not understood that this is a bad policy. They should correct that bad policy.

[Reporter] Mr President, you say that this is a North-South problem or an East-West problem; there is, however, still time for it to be North-South. [sentence as heard]

[Ortega] Well, I believe the world situation is so critical, and so critical for Latin American countries, that unless we become aware that such a problem tends to spill out because of the actual crisis, then all that awaits is chaos and instability for the Latin American and Caribbean countries and Third World countries, in general, because peace is threatened not only through war, as in the case of Nicaragua -- through U.S. military actions. While the United States defends an unjust international economic policy toward Latin American countries, it is attacking peace and promoting instability throughout Latin America. There is really concern on the part of all Latin American leaders. There is a convergence -- a unity of opinions -- among Latin American rulers on the need for a change of economic policy in the world.

[Moderator] I would like to ask for a small break, as we would like some of the public -- some that might be interested in talking with the president -- your name please?

[Perez] My name is Wilson Perez Saldano.

[Moderator] You want to ask the president something?

[Perez] Yes. My first question for the president of Nicaragua is that, seeing that the U.S. Government -- the Congress -- has approved aid amounting to $100 million for the Nicaraguan contras, in other words they have now had a direct participation with Nicaragua -- do you believe that Nicaragua would be militarily prepared for a U.S. invasion? [passage indistinct]

[Ortega] That is a good question. [laughs] The Nicaraguan people have moral readiness, and accompanying this moral preparedness is the decision to face this intervention, if it does take place, with weapons. The Nicaraguan people do not have atomic weapons. They do not have sophisticated armaments. What the Nicaraguan people have are rifles to defend themselves in case of an invasion. They are therefore prepared to face that invasion, to resist that invasion, and to defeat that invasion. Be assured that if that invasion takes place, if the United States again makes that mistake in Nicaragua, they will be defeated by the Nicaraguans. They will be defeated by Nicaraguan peasants, by Nicaraguan youths, by Nicaraguan women, because even the [words indistinct] are prepared to fight back in Nicaragua in case of a U.S. military intervention.

[Motta] Francisco Motta. Mr President, how would you explain the attitude of Mr Eden Pastora, the legendary Commander Zero, who fought beside you to topple Somoza and then, after a time, turned against you, alleging he was going to fight for true Sandinist values?

[Ortega] Well, historically, situations like this always arise. It even happened to Christ. A Judas emerged among the apostles. It is therefore not strange that a Judas should appear in Nicaragua.

[Motta] Is that the reply?

[Ortega] Yes. [laughs]

[Reporter] Suppose the United States invades Nicaragua, would you ask the USSR for help?

[Ortega] We are going to defend ourselves with our fists, with the sweat, blood, and heart of the Nicaraguans.

The Nicaraguans are the ones who are going to face the invasion, we are the ones who have to resist that invasion, and we are the ones who are going to defeat the invasion. We are not expecting anyone to come with their troops to help. It is the Nicaraguan people who are going to fight against and defeat that invasion. However, we know that we are going to have the active solidarity of the peoples of the world, of the Latin American people, and even of the people of the United States.

[Reporter] Mr President, the Contadora Group has drafted a peace plan for Central America which, according to what you have said, has 21 points. This plan was first approved by Nicaragua and rejected by the other countries; afterward it was approved by the other countries and rejected by Nicaragua. What could you tell the Dominican people about the contents of this document?

[Ortega] Well, this is like a problem between two neighbors; if they cannot reach an agreement, they will need a mediator. This has been the case with us, and we have resorted to Contadora, to the Latin American countries. Contadora submitted a peace plan which has faced many obstacles. The last peace plan submitted by Contadora was accepted by Nicaragua. We are willing to continue with the negotiations to sign the Contadora peace plan. This is the line we are maintaining, and we invite the Central American governments to make a decision in favor of signing the Contadora peace plan, even if it annoys the U.S. Government, because it is better that they do this so that we can have peace, instead of heading toward a war just because they do not want to annoy the U.S. Government.

[Moderator] Mr President, is it true that well-known Somozists [words indistinct] have remained in Nicaragua and are working without being bothered and have not had any problems?

[Ortega] That is right. There are many people in Nicaragua who worked for Somoza. For example, there are many public employees who are working. There are even some military who were with Somoza but who did not commit crimes, and they are still working for their country. There is the amnesty policy. Now and then we release some prisoners. Not too long ago we released 400 prisoners who had been in prison since 19 July [1979]. Some of them were guardsmen during Somoza's regime. We even release a former sergeant who was a Somoza bodyguard. Our policy is to be flexible with Nicaraguans who really want to work and participate in politics in a civil state.

[Reporter] Mr President, you have said that despite the problems from abroad with the counterrevolutionaries and some local opposition, the Sandinist government is set on building a democracy. If this is true, is there any possibility of reopening the newspaper LA PRENSA?

[Ortega] The newspaper LA PRENSA has been temporarily closed, but not because we are against freedom of the press. As a matter of fact, we favor freedom of the press. The government's radio station has a program every day from 0800 to 1200 in which its mobile unit goes to the streets interviewing people, who say whatever they wish. Every day the people criticize the flaws they see in the government. The program has gained an audience which I think no other government radio station in the world has. Domestic Service is the radio station with the largest audience in the country. This radio station gives the people the opportunity to criticize and express their views and present their problems. The members of the Cabinet are then forced to answer their questions. As you can see, we favor freedom of expression. The political parties also have programs on radio stations, on Radio Independiente, for instance.

The newspaper LA PRENSA was operating, but the owners broke the law when they went to the United States to support the approval of the $100 million in aid for the counterrevolution. That is a violation of the law, because the problems we have in Nicaragua should be resolved by Nicaraguans. We consider it a crime to support the U.S. Government so that it can continue killing the Nicaraguan people. This forced us to temporarily close LA PRENSA. If the owners of the newspaper sever their relations with those who are attacking us, then we will immediately change the measures. The newspaper and its owners are here in Nicaragua. They meet, they have their newspaper. We have not seized its installations. They are making statements and issuing protest notes. A letter from one of the owners of the newspaper has been published. All this proves that there is freedom of expression. If we did not have freedom, they could not be writing from Nicaragua all the things they say. They go abroad to make statements, and they return to the country. Everyone comes and goes without any problem. There are no restrictions. They are all free to speak.

[Reporter] Mr President, do you not think that the United States, far from wanting a direct intervention by U.S. troops in Nicaragua, is trying to subdue Sandinism through a war of attrition, through an internal struggle with the aid to the counterrevolutionaries?

[Ortega] The U.S. Government has sought what is less costly, and that has been the counterrevolutionaries. But the counterrevolutionaries cannot defeat the Sandinist revolution. Since they cannot defeat the Sandinist revolution, now they are intervening [words indistinct]. When the CIA comes to Nicaragua to take part in operations, as authorized by the U.S. Congress, and when the U.S. military advisers visit the mercenary camps, the United States is getting more directly involved in the war. This is leading to a Vietnamization of the conflict and to an intervention.

[Reporter] Mr President, what is the real correlation of forces, militarily speaking, between the counterrevolution and the Sandinist Army?

[Ortega] The counterrevolutionary forces are totally defeated. Proof of this is that the counterrevolutionaries are now attacking the civilian population. They do not dare attack military positions. When they see a public vehicle they attack it. In recent months they have killed a French doctor, a Swiss and a German internationalist, and also a Spanish internationalist. These were foreign internationalists who came here to cooperate with various programs, to help the peasants build schools, to help them with their health problems and with various social projects. They go about their business, and they get killed. This is what the counterrevolution is doing. The Nicaraguan people are rejecting the counterrevolution more and more every day. The counterrevolution does not have a chance. It does not have any support from the people.

[Reporter] What is the situation of the peasants regarding the possession of the land before and after the Sandinist revolution?

[Ortega] As I have tried to explain here, we are making efforts to appeal to the people's conscience. For example, if a person has a farm of 10,000 -- how do you call it here, hectares -- let us say 5,000 hectares, and he is only working on [words indistinct] the portion he is not working on is distributed among the peasants, either individually or in cooperatives. It is up to them. At this moment we have in Nicaragua more peasant owners of the land than prior to the revolution. We have more private owners in Nicaragua than before the victory of the revolution.

Before, the land was in the hands of four people who were millionaires, who did not even work the land efficiently. Now we are distributing the land to do justice. Now if there is a person who has 5,000 hectares and he is doing a good job, there is no problem with him. It has been necessary to have a place for dispaced peasants, because in a war zone thousands of peasants have abandoned their homes, and we have had to find them some place to settle. Then we talk to the owner of the land so that the peasants can use it temporarily. When the war is over, the peasants can return to their homes,and he can take over his property.

[Reporter] When you talk about the land given to the peasants, is the land theirs as long as they work it?

[Ortega] They receive the land as their property. They receive their land deeds. Of course, this is done so that they have land to work. Besides, one does not have to tell a peasant to work the land. The peasants are in need of land to work. Once you give them the land, they immediately start working on it, and you see corn and beans sprouting, the products they are going to consume and that they will take to the people in the city.

[Reporter] Mr President, one of the accusations against the Nicaraguan Government is that it is helping in many ways, even militarily, the Salvadoran guerrillas. There is a well-known report indicating that the guerrillas have their headquarters in Managua. There is also the case of a guerrilla leader who was killed in Managua. What can you tell us about this?

[Ortega] Look, the Salvadoran guerrillas existed long before the victory of the revolution in Nicaragua, because of the state of social injustice in El Salvador. The Salvadoran revolutionary leaders visit many Latin American countries, not only Nicaragua, just like those people the U.S. Government is financing -- the counterrevolutionaries -- also move fromone country to another [words indistinct].

The leadership of the Salvadoran guerrillas is in El Salvador. Not long ago, Msgr Rivera y Damas, who has been making efforts for a dialogue, [words indistinct] some 20 km from San Salvador, where he met with the leaders of the guerrillas, who are in the country fighting. Once in a while they travel to Latin America and Europe [words indistinct]. From where do they get their arms? Right there. The arms sent by the U.S. Government to El Salvador are seized by the guerrillas from the Army. There is an Army report indicating that during a guerrilla attack, they took 300 rifles, mortars, and cannons. In reality, the arms are being supplied by the U.S. Government to the Salvadoran guerrillas from the arms being sent to El Salvador.

[Reporter] Mr President, during an interview carried by a television station yesterday, you said -- and in this I agree with you -- that the world cannot be divided into white and black, answering the question of a newsman who asked you if Nicaragua was building a capitalist democracy or a Marxist regime. You told him that you did not believe in that [words indistinct] of black and white, and that in between there were many grays. But, in relation to the type of society being built in Nicaragua -- even between the capitalist democracy of the United States and developed countries and the Marxist regimes, for example, of the USSR and Cuba -- in the past 40 years, since the end of World War II, there have been different models put into practice. There has been a type of socialism in Yugoslavia and the national democratic revolution, which the Dominican Revolutionary Party, PRD, put into practice in 1976, and also advocated by a sector of the Socialist International and the Nicaraguan Social Christian Party. In which of these grays would you place the society the FSLN is building in Nicaragua?

[Ortega] I think we are contributing with a new gray, different from all those you have mentioned. We are trying to build something of our own, without disregarding the historic experience of those systems.

The truth is that we cannot compare the Nicaraguan process with that of the United States or the USSR, which are countries with a very advanced technology and industry. It is a different situation. I would say that the Nicaraguan example falls more within the Latin American context, and, in Latin America, more within the Central American and Caribbean context, with which we have more common characteristics and problems. Therefore, we are seeking our own gray.

[Reporter] Mr President, could you tell me about the international solidarity with Nicaragua?

[Ortega] International solidarity has been tremendous. I would make special mention of the more than special solidarity offered by the U.S. people. In last instance, it is an obligation of Latin Americans to get together to defend ourselves. Just imagine how difficult it can be for a U.S. citizen to oppose the policy of his government against a Latin American country. Thousands of U.S. citizens of different views, members of the Republican and Democratic Parties, have come to our country, as have many church people, Catholics, Methodists, evangelists of different congregations.

Many of them arrive in our country full of prejudice -- because the campaign against our country is strong -- to find that in reality things are different. I have seen U.S. citizens arrive in our country full of prejudice, thinking that everything here is terrible, that there is anarchy and lack of freedom, but when they arrive in our country and face the real situation and see what the counterrevolution and the U.S. Government is doing killing children and women, they feel ashamed and cry out in indignation. When they return to the United States they become real active in the solidarity with Nicaragua. They are not moved by a very logical motive, but by the honesty of man's reasoning. The solidarity of the U.S. people with Nicaragua is very impressive. In Nicaragua there are hundreds of U.S. citizens working alongside the Nicaraguan people, in inhospitable zones, risking their lives at the side of the Nicaraguan people.

[Reporter] [Name indistinct] of the Dominican press. Recently, while you were in New York, a Dominican stood up and asked you several questions. You answered by saying that it was an honest question, at least [words indistinct] and that you invited him to visit Nicaragua. He is in Nicaragua at present. We want to know whether there is any restriction on this Dominican's learning about the problems of the country. He showed a special interest in talking with you even before you left New York.

[Ortega] Yes, we met at the Riverside Church in New York. I met with the people. Questions were asked, and I answered them. At that time the Dominican suddenly asked his question. The question [words indistinct]. His was not really a question, but he believed what he was asking. So I told him it would be best for him to go to Nicaragua. U.S. citizens -- because he is a U.S. citizen -- can enter Nicaragua without any visa requirement, so he can travel to Nicaragua and see the situation for himself. He is in our country. We paid his fare to Nicaragua. He is there now. He has been there for a week now, and he has been able to move about freely. [passage indistinct] Upon my return, I will talk to him and ask him what he thinks about what he has seen in Nicaragua.

In addition, now that I have arrived in Santo Domingo, I have met with much solidarity. Such solidarity includes a letter from a Dominican who has not been able -- for lack of money -- to travel to Nicaragua to fight beside the Nicaraguan people and defend them against the aggression by the U.S. Government. [applause]

[Reporter] [Words indistinct] he sent a dispatch from Managua saying that he could not find out much about the country's situation because the people were reluctant to speak much.

[Ortega] Well, he can speak to whomever he wishes in Nicaragua. [Words indistinct] the U.S. press visit Nicaragua, talk to and interview the people, and later those interviews are broadcast in the United States. I entertain some doubts regarding dispatches all the time. Some of them do not reproduce what one says correctly. So I would rather talk to him upon my return to Nicaragua. I also invite the Dominican people, whoever has doubts about what is going on in Nicaragua, to visit my country. [passage omitted]

Discusses Dominican Visit

PA181918 Managua Domestic Service in Spanish 1728 GMT 18 Aug 86

[News conference given by President Daniel Ortega at the Information and Press Directorate in Managua; -- live; broadcast in progress]

[Text] [Ortega] ...Reception by outgoing President Jorge Blanco. President Jorge Blanco, President Delvalle of Panama, and I were there. When Mr Shultz started to approach President Jorge Blanco, who was the host, and he saw me, he turned around and slipped away among the people. He even evaded a protocol greeting. He evaded it. This shows the U.S. position of not even meeting face to face with Nicaragua. It seems that this is the U.S. attitude.

[Reporter] Regarding the Dominican people, what did you (?achieve) for Nicaragua?

[Ortega] Well, we felt a great solidarity. In other words, we also felt the Latin American solidarity in the Dominican Republic. But it was especially marked by a great combative spirit. The combativeness of the people and their demonstrations of solidarity with Nicaragua were very expressive. There were some demonstrations organized by the CIA, the contras, the FDN with placards similar to the ones set up when we went to the United States. They were logically a minority. Another phenomenon is taking place, and that is that wherever we visit, the U.S. Embassy immediately pays for the television to show a terrible, slanderous anti-Nicaragua documentary they have made. They made it on the Miskitos 3 years ago as part of their propaganda campaign against Nicaragua. When we went to the United States it was immediately shown on some television stations. Now, when we arrived in Santo Domingo, it was shown. However, the solidarity, the affection, and the combativeness of the Dominican people was much greater. They would shout: Nicaragua is not alone. That was the cry of the Dominican people, of the Dominican youths.

[Reporter] Commander, in the next few days you will be touring several countries and will participate in the Harare summit. What position will Nicaragua take to the Eighth Nonaligned Summit in Harare?

[Ortega] As is known, we are part of the Nonaligned Movement and we defend the Movement's principles. One of the main points that Nicaragua will be making in defense of the movement is respect for the international legal order and law which is being threatened today more than ever by the United States. After the ruling of the International Court of Justice and the U.S. Senate vote, the only thing lacking before we find ourselves confronted by an action which shows the greatest contempt for the international legal order and the International Court of Justice is the signing of the law that establishes the financing and the sending of weapons and military (?advisers) to the mercenaries.

Therefore this is a topic that is of interest to all the member-countries of the Nonaligned Movement because of their own security and survival. Therefore, we are going there to discuss this substantive topic which seeks to defend the international legal order. Of course, there are other topics such as the economic topics and as you know, Nicaragua seeks to be the site of the movement and we are going to [words indistinct]. We have also scheduled visits to some nonaligned countries such as Burkina Faso, Ghana, and The Congo. We will be in Harare for the summit. We will make official visits to India, China and Korea [not further specified]. That is what we have scheduled so far. We will also visit the GDR.

[Question indistinct]

[Ortega] This falls within the efforts that Nicaragua carries out to develop relations with all countries of the world and to strengthen those relations in all fields.

[Question indistinct]

[Ortega] In the Dominican Republic we had the opportunity to speak with representatives of the Contadora Group and also to speak with President Duarte. To date, we have not seen a receptive attitude from some of the Central American countries regarding the Contadora proposal. Even President Duarte in a news conference in Santo Domingo sought to blame Nicaragua for the fact that the Contadora peace act has not been signed. That is a totally false statement because it is well known that in a public communique Nicaragua stated its position while on the other hand Salvadoran Foreign Minister Claramount launched insults against Contadora. We have issued an appeal so that the Central American countries will make efforts to place the interests of the Central American people first and so they will have enough courage to face the U.S. pressures and in this way we can support the Contadora efforts, seek peace, and move away from the path of war which is the one that the United States has been promoting with its policy of pressure on the Central American countries.

[Question] Commander, Cardinal Obando y Bravo has said that on (?4) September the Nicaraguan Episcopal Conference and the Nicaraguan Government would meet. Many of us understand that this would be after the Harare summit. We would like to know what the Nicaraguan Government (?expects) from this upcoming meeting with the Episcopal Conference?

[Ortega] We proposed that we meet immediately in August, but the 4 September date was given. The problem is that they had already been told that I was going to be out of the country for that period. I am willing to meet with the bishops after I return from this tour and the Nonaligned summit meeting. We hope to address topics that provoke conflicts and tensions between the government and the church, and we hope to reach an agreement to regulate the actions of the state and the actions of the church, each one in its own field, each one in its own sphere, to overcome these tensions.

[Question] What is the Dominican Government's position on Contadora and specifically regarding Nicaragua?

[Ortega] Well, we had the opportunity to speak with President Balaguer on several occasions. [Words indistinct] he personally accompanied us to the airport and clarified his position about maintaining the friendly relations with Nicaragua and continuing the policy of previous governments in this regard.

Regarding the situation of intervention, he is against an interventionist policy. He is in favor of peaceful solutions and the Contadora efforts. Therefore, we feel that the new Dominican Government through President Balaguer has expressed a position that falls within the Latin American spirit of seeking a peaceful solution and that in the bilateral field seeks to maintain relations with Nicaragua.

[Reporter] Commander, Costa Rican President Oscar Arias, in remarks cited by the INTER PRESS SERVICE 4 days ago, said he does not believe there will be a Vietnamization in the Central American region because he has no reason to doubt President Reagan's statement that he will not permit a single U.S. soldier in Nicaragua. What is your opinion about this?

[Ortega] President Arias has held very courageous positions in the face of U.S. policy. We cannot fail to acknowledge the position he maintained regarding opposition to the approval of the $100 million. It was a clear attitude, and he confirmed it even when he visited the United States. That annoyed the U.S. Government. If President Reagan has told that to President Arias, then President Arias has every right to trust what President Reagan tells him. But in practice and in reality, the U.S. Government has just approved the sending of U.S. military advisers to Central America so that they will wage war on Nicaragua. It has also approved the CIA actions against Nicaragua.

That means a direct commitment of U.S. personnel in the war against Nicaragua. That is why we speak of the Vietnamization of the conflict because Vietnam did not begin with the presence of millions of U.S. soldiers. Instead, it began with the presence of half-dozen advisers and ended up with half-million soldiers.

[Question indistinct]

[Ortega] I believe that all the opposition parties in the institutional framework, especially those in the constituent legislative assembly, have the right to behave as they please. It is typical to see in the parliaments of Latin America and Europe that parliamentary people who are representatives of the various political forces often withdraw when they disagree with a proposal made by the government's majority in the parliament.

In some European countries parliamentarianism is strong, and this type of situation occurs. So you should not be surprised by some behavior because this is parliamentary play by a civic opposition that has the right to act according to what it finds most suitable.

We, as representatives of the FSLN, have to seek to promote a united effort in the face of war and foreign aggression and to avoid tense domestic situations. We have to make efforts to prepare the constitution, which is the master element that will give a constitutional nature to the Nicaraguan revolutionary process.

[Reporter] Commander, one of the points of the Chicago Proposal deals with LA PRENSA. Has there been any response from the owners of the daily LA PRENSA to that proposal?

[Ortega] The response has been negative because they have dedicated themselves to sending letters abroad and Violeta [Chamorro] has claimed that her life is in danger, that we are going to kill her here in Nicaragua; completely irrational ideas. If there is one safe place for Violeta it is here, in Nicaragua. She is completely safe here. Nothing has happened to her here.

There is another LA PRENSA personage: Pedro Joaquin Chamorro Barrios -- Violeta's son. His arrival in Honduras with his wife to visit the mercenary camps was shown on U.S. television. There were shots of him happily stepping out of a plane in Honduran territory at mercenary camps. So the owners of the daily LA PRENSA are apparently ratifying their ties with the mercenary forces. They are not giving a positive answer to the possibility that has been opened to them, that if they change their attitude we would reconsider the [suspension] measure.

[Question indistinct]

[Ortega] Here there has been a situation as a result of which the institutional church has been affected. The departure of Vega, Carballo, and 12 priests who demonstrated in support of a priest who is involved in armed activities could have affected the church as an institution. But from the church we have seen charges and campaigns against the government that have affected the Nicaraguan Government, revolution, and people.

We have to start from a true situation to search for new proposals that could lead to the solution of current problems. There are situations that are irreversible, that have done damage, that have provoked tension, and damage has been done. What we have to do now is to see what we can do to prevent harming each other and to find a policy of coexistence that should help the Nicaraguan people face a situation as difficult as that of the United States coming down arrogantly and strongly to continue the aggression.

[Reporter] Commander, how would you characterize relations with the Vatican since the arrival of the new apostolic nuncio, Msgr Paolo Giglio?

[Ortega] We have relations with the Vatican. We cannot say, of course, that these are excellent relations, because we would be exaggerating.

We have found in him a great opportunity for finding a solution to problems. A few hours following the meeting I had with him when I received his credentials he informed us that the bishops had agreed to a meeting. So we are already seeing the fruits of the work of the new representative.

[Reporter] One last question, Commander. President Alan Garcia is currently facing a very difficult situation because the IMF has decided not to give Peru any kind of credit. I would like to know your opinion about the IMF decision and the position of the Peruvian president.

[Ortega] The position of the IMF does not contribute to resolving the problem. It aggravates the problem; this problem is being faced by all Latin America. What they are doing with Peru now they will be doing tomorrow with other Latin American countries that have not been affected yet by the IMF.

The evidence is that on one side there is a stubborn position by the IMF, and on the other we find that Latin American unity is now more necessary than ever to united face this economic problem, the problem of the debt, which the North -- the U.S. Government -- does not understand. That government insists on maintaining a policy of force that is destroying the development possibilities of the Latin American countries.

BORGE: NATION STRONG DESPITE U.S. PRESSURES

AU181924 East Berlin BERLINER ZEITUNG in German 16-17 Aug 86 p 4

[Interview with Tomas Borge Martinez, commander of the revolution and minister of interior of the Republic of Nicaragua, by Maritta Tkalec; date and place not given]

[Text] BERLINER ZEITUNG: What changes in the military situation and internal security does the Sandinist government expect, once the counterrevolutionaries have received the $100 million granted by the U.S. Congress?

Borge: According to our evaluation of the future, there will be no fundamental change in the present balance of power between the contras and the defense and security forces of Nicaragua. The counterrevolution so far has not succeeded in achieving its aims: It could neither take possession of a piece of the national territory, nor set up a provisional government there, it could neither take in cities, nor bring terror and sabotage to the area of the Atlantic coast. This failure of the contras is the result of hard work which we performed internally. We do not think there will be fundamental changes here. The danger is of a different nature.

First of all, one must think of the complicity between the U.S. Congress and the policy of President Reagan. Probably some of the representatives think the $100 million is an alternative to a direct U.S. invasion. But the truth is -- independent of what certain people may think and independent of their views -- that the injection of the dollar, as confirmed by the Congress, is a political escalation of the aggression against Nicaragua, which can turn into a military escalation -- up to a direct intervention of the North American government with its troops into Nicaragua.

On the other hand, the increased use of advisers and trainers, planned by the Pentagon for the counterrevolutionary armed forces, can considerably increase the danger of a direct interference of North American troops into this war. This would already be observed in Vietnam.

In addition, the counterrevolution has proved incapable of bringing terrorist activities and sabotage into the economic center of the country. For, so far, not a single bomb has exploded here, not a single act of sabotage or terror has been made here despite numerous attempts of this kind. But if now, the CIA directly takes charge of implementing these crimes in the future, this can mean several operations will be more successful for the counterrevolution than they have been so far.

In this spirit, one can talk of an aggravation of the situation, even if this does not mean the counterrevolutionary war will expand in general in the near future.

BERLINER ZEITUNG: Are there any references concerning the extent of the CIA's work inside the country?

Borge: So far the CIA has basically directed the diverse activities of the counterrevolution. However, the results of the secret service work of our Ministry of Interior, as well as information by the people, reveal that now CIA participation seems to be changing. It is even probable at present that the CIA is attempting to set up illegal centers in various cities and in the countryside. So far, the CIA officers have worked in their legal center, in the U.S. Embassy in Managua. Thus, the CIA will undoubtedly interfere even more in the counterrevolutionary activities.

We also anticipate the possibility of terrorist attacks against the people along the Pacific coast and prepare ourselves to meet such operations. Only today I had a long meeting with security people and counterintelligence specialists from all over the country to reorient the work as it relates to the nature and extent of the confrontation. In accordance with the expected CIA activities -- like espionage, attempts to destabilize the country, and preparation of acts of terror and sabotage -- we will act.

BERLINER ZEITUNG: The defense efforts Nicaragua is forced to maintain have obviously aggravated the economic problems of the country. How do the difficulties affect the mood of the people? Is the war of attrition achieving its goal?

Borge: Our economic crisis has, of course, various origins: the unequal conditions of the world economic order, the burden of foreign debts, the international economic crisis, the blockade of the United States around our country, the blocks constructed by the United States that keep us from getting credit, and above all the means used for the defense. The war is a true monster and devours about half of the means which the country has available.

In addition to all that, there are the mistakes we have made -- disorder in the administration that has not been mastered yet, and lack of necessary organization. There are problems in distributing products, in setting prices, and also in meeting demands. In fact, uneasiness and dissatisfaction are increasing among parts of the population. Promoting dissatisfaction is part of the North American policy.

But what can we see? Although the people are dissatisfied with difficulties in transportation, the housing shortage, insufficient medical care, although they are angry because essential consumer goods have become more expensive, dissatisfied with the speculation, with the shortage of many products -- despite all these problems the people continue to be loyal to the revolution.

Also, the members of the Sandinist Front often cannot buy rice in the market and are angry, or they have a housing problem. But in no way has this weakened the support and sympathy for our revolutionary project as a whole. This phenomenon can be explained by the nature of a true people's revolution, by the great trust and belief of the people in their future.

It is important to understand this. He who wants to understand Nicaragua must comprehend both aspects of this situation: the support for the revolution and the dissatisfaction with the revolution. This seems to be contradictory, but it is not.

BERLINER ZEITUNG: Will that also be the case if measures of a wartime economy, which have been discussed for some time, are introduced?

Borge: I think despite the numerous economic problems I listed, several measures can be taken in the spirit of a more just distribution of the few things we have. At present, a number of saving measures are being studied, for instance, concerning the state expenditures.

Although there are few available products, the product supply to fighters in the combat zones is guaranteed. Also, these products will be available for the workers in the factories, their families, and for the peasants -- for all who produce.

TARIFF AGREEMENT SIGNED WITH VENEZUELA

PA190336 Managua EL NUEVO DIARIO in Spanish 18 Aug 86 p 6

[Text] An important tariff agreement has been signed at the Foreign Ministry between Venezuelan Ambassador Faustino Pulgar Gruber and Orlando Solorzano, Nicaraguan deputy minister of foreign trade.

This agreement opens new possibilities for trade between the two countries.

This agreement also seeks to ratify the aspirations for complete Central American economic integration, which is partial at the moment.

This is a nontraditional partial agreement that grants tariff reductions of 60 to 100 percent on imports and exports.

The agreement contains a list of products such as honey, ipecacuanha, and other Nicaraguan products that will be exported to Venezuela as part of a plan to reduce the deficit in the balance of trade. Venezuela will export machinery and some raw materials to Nicaragua.

This new agreement involves a $15-million line of credit which is being increased by $5 million more in the iron and steel industry.

Venezuela has signed similar agreements with other Central American countries to expedite the economic integration of the isthmus.

PCD WITHDRAWS FROM CONSTITUTIONAL DEBATES

PA181336 Paris AFP in Spanish 0104 GMT 18 Aug 86

[Excerpts] Managua, 17 Aug (AFP) -- The Democratic Conservative Party (PCD), the country's second most important party, decided today to withdraw from a parliamentary commission that is drafting the country's Constitution after denouncing the FSLN's "totalitarian tendencies." The decision was made on Sunday by a full PDC delegates' meeting, which also decided to suspend the bilateral meetings it was holding with the government party.

This means that the two majority opposition parties in the constitution-drafting commission, the PDC (14 deputies) and the Independent Liberal Party (PLI), which withdrew from that commission 1 week ago, will not participate in the constitutional debates. Clemente Guido, leader of the legislature's Conservative bloc and a former presidential candidate, told AFP that a party assembly will probably be convoked next month to decide on the PDC's definitive withdrawal from the constitutional discussions. [passage omitted]

Guido said that thus far the Sandinists have been rejecting a 17-point proposal "to guarantee that the constitution will be democratic." He noted that the Sandinists are trying to consecrate in the Constitution "the fusion of army-party and party-state" and that "they refuse to include the invocation to God in the constitution."

"We cannot agree to that, nor do we favor presidential reelection, he explained. "We are trying to ensure that the Constitution establishes the basis for dismantling the totalitarian system that the FSLN has been consolidating," the Conservative leader said in closing.

NICARAGUA MAINTAINS FIRM STAND ON CONTRAS, AID

Ortega on U.S. Aid to Contras

PA181450 Havana International Service in Spanish 2300 GMT 17 Aug 86

[Text] Nicaraguan President Daniel Ortega has reiterated his country's willingness to hold a dialogue with the U.S. Government to solve the Central American conflict. In a news conference in Santo Domingo where he attended the inauguration of Dominican President Joaquin Balaguer, Ortega said the Nicaraguan Government will not discuss internal issues with the United States because each country has the right to establish the political system it deems advisable.

The Nicaraguan president said that the U.S. Congress' approval of $100 million for the Nicaraguan counterrevolutionary bands will lead to the Vietnamization of the Central American conflict. Ortega stressed that Nicaragua will not hold a dialogue with the mercenaries because the Reagan government finances and directs the forces based in Honduras and Costa Rica. Ortega also reiterated Nicaragua's willingness to sign the Contadora Group's peace act.

Labor Groups Reject U.S. Aid

PA161218 Havana International Service in Spanish 2300 GMT 15 Aug 86

[Text] Nicaraguan labor organizations and foreign volunteers working in Nicaragua continue voicing their rejection of the disbursement of $100 million approved by the U.S. Senate for the Nicaraguan counterrevolutionary bands. The Sandinist Central Organization of Workers charged that the aid for the mercenary groups set the stage for a direct U.S. intervention in Nicaragua. It called on holding a national meeting to rally fundamental forces of the revolution.

At a meeting in Managua, 700 foreign volunteers working in Managua reaffirmed their support for the people of that Central American nation and expressed their regret over having to interrupt their work in the war zones. The Nicaraguan Government decided to transfer them to safer areas to protect them from the mercenary attacks.

Meanwhile, a survey conducted by the newspaper BARRICADA revealed that generally the people do not feel afraid of the approval of aid to the counterrevolutionaries but, rather, that they must be prepared to repeal a possible attack.

GRANMA VIEWS CONTRA ACTIVITIES IN HONDURAS

PA151504 Havana International Service in Spanish 2300 GMT 12 Aug 86

["What the Press Has To Say" feature, read by Maruja Garcia and Norberto Hernandez]

[Text] [Garcia] "Honduras: Contra Terrorism and Peasant Evictions." Under this headline, GRANMA refers to the terrorist activities of the Nicaraguan counterrevolutionaries in Honduras.

[Hernandez] Last week, GRANMA states, a violent explosion destroyed the automobile of journalist Rodrigo Wong Arevalo, director of Radio America, and caused heavy damage to the front of the journalist's house in La Primavera, a neighborhood in southern Tegucigalpa.

[Garcia] Shortly after the terrorist action, the National Confederation of Rural Workers charged that the Nicaraguan mercenaries were responsible for the attack. Wong and Radio America have risen up as defenders of the national interests and they have been prominent in rejecting the presence of President Reagan's so-called freedom fighters.

[Hernandez] The approaching delivery of the $100 million and the repeated statements on aid by Reagan have encouraged the Somozists and their supporters to carry out attacks. The Wong case demonstrates this. In addition, reports from Honduras discuss the plight of peasants in El Paraiso Department.

[Garcia] Quoting an AFP report, the Cuban newspaper GRANMA adds: Approximately 10,000 Nicaraguan contras operate in the Honduran region of El Paraiso, from where peasants are constantly displaced. These displaced peasants, AFP reports, have been forced to abandon their land due to the lack of security and the war situation imposed by the repudiated presence of the counterrevolutionaries.

[Hernandez] The territory occupied by these mercenaries includes the communities of Capire, (Villa Nueva de Yamales), (Yamales) and Arenales, 12 to 25 km from the Nicaraguan border. The displaced peasants went to Tegucigalpa newspapers to demand the government provide them with protection. We are desperate because our lands are being occupied by an army that is increasingly stronger while we are increasingly unprotected, the peasants said.

[Garcia] The GRANMA commentary adds that the displaced peasants are making their situation known. Along with seeking to silence journalist Rodrigo Wong and attacking a neighboring country with which Honduras has diplomatic relations, the counterrevolutionaries are turning into a serious threat to the peace and sovereignty of Honduras.

CONTRAST NOTED BETWEEN U.S., CONTADORA ACTIONS

PA162023 Havana International Service in Spanish 2300 GMT 15 Aug 86

[Interview with correspondent Frank Gonzalez in Bogota by reporter Fernando Alcorza in Havana; date not given — recorded]

[Text] [Gonzalez] The 1st week of Virgilio Barco Vargas' Liberal government has resolved around two fundamental aspects. As is well-known, the first aspect concerns efforts to seek procedures to expedite achieving a peaceful solution to the Central American conflict. This took place to take advantage of the presence in Bogota of representatives from the Contadora and Support Groups. Surprisingly, as his first action in office, President Virgilio Barco Vargas summoned a working meeting with the representatives of the two groups. There was much speculation on the eve of the inauguration seeking a negotiated solution to the Central American conflict through another forum such as the OAS. There was also speculation that he would advocate finding solutions outside the Contadora and Support Groups.

[Alcorza] How is the contrast between this meeting which the Contadora Group held and the U.S. Senate approval of $100 million in aid to the Nicaraguan contras seen in Bogota?

[Gonzalez] Well, in fact I cannot imagine two more antagonistic things. The contrast is very great, not only in terms of the U.S. Senate approval of the $100 million in aid, but also, when representatives of the Contadora and Support Groups were meeting here to promote the search for a political solution in Central America, U.S. Secretary of State George Shultz was holding a separate meeting with the Central American presidents, specifically the Salvadoran, Costa Rican, and Honduran presidents, as part of an ongoing campaign against Nicaragua. Among other things, he said that the only solution to the Central American problem was to oust the Sandinist government.

The U.S. Senate approval of the $100 million in aid to the contras is viewed here as part of the U.S. aggressive policies toward the Central American nations. Likewise, a great contrast is apparent between the Central American nations and the peace efforts, on the one hand, and the U.S. Government's aggressive policies on the other.

UN: ORAMAS FAVORS PUERTO RICO'S INDEPENDENCE

PA161216 Havana International Service in Spanish 1600 GMT 14 Aug 86

[Text] The UN special Committee on the Declaration on Decolonization will continue the debates today on Puerto Rico's inalienable right to self-determination and independence. Oscar Oramas, the Cuban ambassador in the United Nations, accused the U.S. Government before the committee of turning Puerto Rico into an economic and military colony.

Oramas said that Cuba had decided to cosponsor a resolution draft presented by Venezuela which reaffirms Puerto Rico's right to its independence. The document prepared by the committee expresses the hope that the Puerto Rican people may exercise their right to self-determination.

MALMIERCA, DELEGATION VISIT YUGOSLAVIA

For reportage on the visit to Yugoslavia by a Cuban delegation led by Foreign Minister Malmierca, including banquet toasts with his Yugoslav counterpart, see the Yugoslav section of the 18 August Eastern Europe DAILY REPORT and subsequent issues.

Arrives in GDR

For East German media accounts of the visit to the German Democratic Republic by Minister of Foreign Relations Isidoro Malmierca, including his talks with GDR Minister for Foreign Affairs Oskar Fischer, see the German Democratic Republic section of the 19 August Eastern Europe DAILY REPORT and subsequent issues.

PRELA OPENS CIRCUIT IN ZIMBABWE TO COVER SUMMIT

FL181654 Havana Radio Reloj Network in Spanish 1422 GMT 18 Aug 86

[Text] Today the PRENSA LATINA news agency [PRELA] established a bidirectional circuit between Havana, Cuba, and Harare, Zimbabwe, to cover the eighth summit meeting of the Nonaligned Countries Movement.

The line will allow easy and efficient coverage of the events of the meeting to be held from 24 August to 7 September.

The bidirectional circuit between Havana and Harare will service several countries that are not members of the Nonaligned Countries Movement; they will be able to take advantage of immediate press releases.

PRELA, current president of the Nonaligned Countries Pool, has a team of six journalists in Harare to cover the summit.

PRESIDENT BALAGUER MEETS L.A. COUNTERPARTS

PA181310 Paris AFP in Spanish 0032 GMT 18 Aug 86

[Text] Santo Domingo, 17 Aug (AFP) -- President Joaquin Balaguer, who was sworn in as president of the Dominican Republic for the fifth time yesterday, carried out a busy work agenda marked by meetings with his Latin American counterparts, appointments within his administration, and consultations with his ministers concerning measures he will begin to enforce tomorrow.

Balaguer's 1st day of activities ended with a large reception for foreign delegations, which several thousand people attended at the Government Palace.

He arrived at his office early this morning and immediately held meetings with some of the 16 Cabinet members who were appointed yesterday. He later met with Salvadoran President Jose Napoleon Duarte, with whom he exchanged awards; Nicaraguan President Daniel Ortega; and Argentine Vice President Victor Martinez; in addition to others who led the foreign delegations that attended his inauguration. Balaguer issued his first foreign policy statement after decorating Duarte and noted that he intends to maintain and strengthen cordial relations with the countries that have diplomatic links with the Dominican Republic. He stated his hope that the Contadora Group (Panama, Mexico, Colombia, and Venezuela) may soon conclude its mediation for the achievement of peace in Central America and advocated the achievement of full democracy in the five Central American countries.

The most important appointments made by the executive branch today include those of the three Armed Forces Chiefs of Staff. In the Army, he appointed General Juan Dario Delgado Gonzalez; and in the Navy he appointed rear Admiral Juan de Jesus Cabrera.

The top-level military echelons are led by Armed Forces (Defense) Minister Rear Admiral Victor Manuel Barjan Mufdi, who was appointed yesterday in the first presidential decree.

General Rafael Socorro Payamps was appointed chief of the National Police; he was personally sworn in by Balaguer in a ceremony that was held at the general police headquarters, and assured that no member of the police corps would be retired.

Balaguer later accompanied Daniel Ortega to Santo Domingo's international airport. He left on a special flight for Managua.

The new president told the media he had decided to creat a commission which would investigate the handling of the state budget; the commission would be comprised of independent persons and would be presided over by Nicolas Lopez Rodriguez, archbishop of Santo Domingo, so that corruption does not remain unpunished.

However, the archbishop declined the position because he considers this -- in a certain way -- a political commission, Balaguer said.

He said he has decided to create the commission anyway; it will be presided over by someone who is widely respected.

BALAGUER EXPRESSES CONFIDENCE IN CONTADORA

PA181736 Panama City LA ESTRELLA DE PANAMA in Spanish 18 Aug 86 pp A-1, A-16

[By Special Correspondent Cesar E. Gomez Marin]

[Text] New Dominican President Joaquin Balaguer last night expressed his confidence in the Contadora Group as it is the best path to peace in Central America and a firm manifestation of a Latin American solution of the conflict.

He reaffirmed his government's support of collective democratic solutions to settle regional conflicts which may imperil peace and Latin American coexistence and its traditional norms of respect for liberty, participative democracy, and human rights. Balaguer, who took office for the fifth time, made those remarks on Saturday, 16 August, at the Diplomatic Hall of the Las Americas Airport, during the brief period in which he accompanied Panamanian President Eric Arturo Delvalle and his retinue who were returning to Panama after attending the inauguration ceremonies.

Answering questions by Panamanian newsmen, Balaguer attributed his presidential victory over the favorite and ruling Dominican Revolutionary Party [PRD] to mistakes and bad administration which led the country to one of its most serious social, economic, and political crises.

Balaguer reaffirmed his trust in giving opportunities to young people to honestly and responsibly participate in government. However, he declined to discuss considerations of a political nature when asked about the possibilities of a 1990 alliance with PRD leader Jacobo Majluta, his closest rival during the past elections. "There is no final word; no one can assure something in politics, however, since Majluta's group remains with the PRD, I do not think that a future alliance can take place," the Dominican leader said. Balaguer also said there are many promising young figures to succeed in the leadership of the Reformist Social Christian Party. Regarding the confirmation of posts for several officials, or even the promotion of some of them, Balaguer said that these decisions come as the result of his statement that he would keep some valuable figures in his government, because of his government's participatory and harmonious nature.

Regarding his decision to fight and eliminate bureaucracy and corruption and to turn over those persons who have unlawfully enriched themselves in public posts over to the courts, Balaguer reiterated that decision. He said the goal is not only to punish crimes but also to recover all the huge losses to use the money to benefit the Dominican people.

Regarding the similarities between himself and former Panamanian President Arnulfo Arias, who has been president of Panama three times, the Dominican leader said that coincidentally the two of them received the support from their country's poorest and neediest sectors, from the popular classes, which constitute the majority. Balaguer hinted that the people turn to those leaders because of the inability of the parties and their new political leaders to provide solutions to the major national problems.

The Dominican president was accompanied by Donald Reid Cabral, minister of foreign relations, a member of the army, Marisol de Motta, Panamanian consul to the Dominican Republic, and others. They briefly talked to Eric Arturo Delvalle, president of Panama, Jorge Abadia Arais, minister of foreign relations, Carlos Brandariz, Panamanian ambassador to the Dominican Republic, and other figures, before the Panamanian delegation departed the Las Americas Airport.

FAO MEETING ENDS; FINAL REPORT ISSUED

FL151612 Bridgetown CANA in English 1555 GMT 15 Aug 86

[Text] Bridgetown, Barbados, Aug 15, CANA -- The regional Food and Agriculture Organisation (FAO) conference which ended here this week has condemned international protectionist policies and the subsidies war saying they had hit developing countries hard.

The placing of large agricultural surpluses through dumping had significantly depressed the prices of staple commodities on international markets, and severely limited the capacity of countries in the region to relaunch their economies ordeal with the burden of external debt, the final report of the meeting said.

The delegates also denounced what they said was a campaign conducted by some developed countries against multilateralism and the threat to the stability and very existence of the various agencies in the United Nations system.

Delegations said they understood the efforts made by the FAO, a UN agency, to channel exceptional resources to Africa, but pointed out that this had affected the level of FAO assistance to Latin America and the Caribbean.

They expressed the hope that the improvement in Africa's food situation would lead to renewed attention and additional resources for Latin America and the Caribbean.

The region has been allocated U.S. 105 million dollars for the 1986-1988 biennum.

The report said the FAO director-general, Edouard Saouma, was requested to find the resources needed to conduct a special study on the long-term development of Latin America and the Caribbean.

The special nature of the problems of Latin America and the Caribbean was stressed during the conference, as well as the need to increase trade between groups of countries.

Delegates also emphasised the need to reinforce intra-regional technical cooperation and devise ways for the most advanced Latin American countries to offer training fellowships for Caribbean technicians in Latin American technical institutions.

Emphasis was placed on the importance of audio-visual techniques for training and technology transfer for farmers.

The consensus was that the FAO had the technical and working capacity to help the countries of Latin America and the Caribbean to develop these communications media and requested FAO support for this purpose, the conference report stated.

JAMAICA

BISHOP TUTU VISITS, RECEIVES HIGH AWARD

FL181417 Kingston Domestic Service in English 1130 GMT 18 Aug 86

[Text] Visiting anti-apartheid churchman Bishop Desmond Tutu yesterday had the nation's fourth highest honor and the highest that may be given to a non-Jamaican conferred on him.

The investiture was done at King's House and was in recognition of his 25 years of outstanding service to his country and the world community in the peaceful crusade for human rights and the liberation of South Africa from apartheid.

The ceremony, which followed a luncheon for the bishop on the 2nd day of an official 5-day visit to the island, was hosted by the governor general, Sir Florizel Glasspole. It was attended by Prime Minister Edward Seaga, PNP [People's National Party] leader Michael Manley, members of the Cabinet, leaders of the religious, private and public sectors.

Warns West About Apartheid

FL182110 Bridgetown CANA in English 1915 GMT 18 Aug 86

[By Paget de Freitas]

[Excerpt] Kingston, Jamaica, Aug 18, CANA -- South African Bishop Desmond Tutu today repeated his counsel to Western leaders that by being unwilling to impose economic sanctions against Pretoria's white minority government they ran the risk of developing anti-Western attitudes in post-apartheid South Africa.

We have warned the West that they are laying down the condition for the emergence of a disposition that is hostile to the West and some of the things that the West holds dear, the black Anglican bishop of Johannesburg told reporters.

He said Western leaders often spoke of the strategic importance of South Africa and stressed that the country will be no less strategic after the system of apartheid ends.

Bishop Tutu added that he was not anti-West but rather was not impressed with some of its leadership.

I have considerable faith in the decent people of the West, he remarked.

Tutu added: I love the West, but certain persons I do not respect. [passage omitted]

GUYANA

HOYTE TO VISIT ZAMBIA, TANZANIA, BOTSWANA

FL162017 Bridgetown CANA in English 1919 GMT 16 Aug 86

[Text] Georgetown, Guyana, Aug 16, CANA -- President Desmond Hoyte will be paying visits to three Frontline States in Africa in addition to attending the forthcoming Non-aligned summit, it has been officially announced here. The Guyana leader has accepted invitations from the leaders of Zambia, Tanzania, and Botswana to visit their countries, based on the long standing friendly relations which Guyana has with the Frontline States, the announcement said.

President Hoyte will visit Zambia from August 28 to 30, just before the start of the Non-aligned summit. He will visit Tanzania from September 8 to 10 and Botswana from September 10 to 13.

During the visits, he will discuss matters of mutual interest and seek ways of promoting our common advantage, Hoyte said.

SURINAME

NATIONAL ASSEMBLY ISSUES STATEMENT ON UNREST

FL181844 Paramaribo International Service in English 1730 GMT 18 Aug 86

[Text] The national assembly on Friday last issued a statement in which its position over the [word indistinct] in east Suriname was clearly stated.

In the statement, the assembly expressed concern over the situation in the area, condemned every form of aggression against people and their leaders, and expressed solidarity with the 12 soldiers who were taken hostage and their families. The assembly also said it is against every form of intervention in the internal affairs of Suriname.

The statement concluded that the assembly supports the actions by the government which are aimed at bringing a halt to the activities of the enemy and called on the Surinamese people to express solidarity with the countrymen in the [name indistinct] district.

URUGUAY

SANGUINETTI SCORES STANDS ON MILITARY REGIMES

PY181632 Paris AFP in Spanish 2244 GMT 17 Aug 86

[Text] Montevideo, 17 Aug (AFP) -- Uruguayan President Julio Maria Sanguinetti today stated opinions on how to deal with the human rights violators of the previous military regime are becoming more extreme, and added the country cannot live obsessed by events of 10 years ago.

The president added that the overassessment of the subject, in which a group of excited leftists and a small group of nostalgic military men are beginning an argument, is increasingly creating a climate of confrontation.

Sanguinetti stated that in safeguarding human rights, what is important is that democracy is strengthened. He added that to paralyze the political system because of arguments over a period of the past is, to my opinion, a mistake. He said the subject is sliding toward extremes and added the subject has not been handled in a positive manner.

Regarding a possible political solution to the issue over the violation of human rights committed by the military regime between 1973 and 1984, President Sanguinetti stated there is nothing planned nor is there any specific formula.

Negotiations conducted by some parties in the past have been frustrated because, while the government has considered the possibility of granting amnesty to the accused, or of finding another solution, the opposition claims they must be tried by civilian courts.

VENEZUELA

ENERGY MINISTER ON INCREASE IN OIL PRICES

PA161733 Madrid EFE in Spanish 0454 GMT 16 Aug 86

[Excerpts] Caracas, 15 Aug (EFE) -- Today, Arturo Hernandez Grisanti, the Venezuelan energy and mines minister, said the price of Venezuelan oil increased an average of $2.50 a barrel.

Hernandez Grisanti said that in the last few weeks, the quotation of the package of more than 30 grades of crude which Venezuela exports recovery substantially. Hernandez said for each dollar of increase, the country receives over $500 million by way of foreign exchange.

According to official reports, up to July 1986 Venezuelan oil was quoted in an average of $14 dollars a barrel. [passage omitted]

FRENCH OFFICIAL ARRIVES FOR VISIT

PA190335 Paris AFP in Spanish 1333 GMT 18 Aug 86

[Text] Caracas, 18 Aug (AFP) -- Didier Bariani, the French secretary of state of the minister of external relations, arrived here today for a 2-day official visit which includes a meeting with President Jaime Lusinchi. Bariani will also meet with Foreign Minister Simon Alberto Consalvi and Transport and Communications Minister Pedro del Moral.

Bariani arrived in Caracas from Santo Domingo, where he attended the inauguration of Dominican President Joaquin Balaguer on Saturday. Bariani will leave Caracas on 20 August for Lima.

FBIS

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SIDE HEAD DENIES FOREIGN GUERRILLA PRESENCE

PY192342 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1603 GMT 19 Aug 86

[Text] Buenos Aires, 19 Aug (NA) -- Facundo Suarez, head of the Secretariat for State Intelligence [SIDE], stated today that the SIDE "has not recorded the entrance" of presumed foreign guerrillas in Argentina. He also denied the existence of a subversive resurgence in the country and ratified the Argentine Government's neutrality regarding the Chilean internal political situation.

Suarez told Radio Belgrano that "to start a new witch hunt is a mistake" and that "what we have to do is to defend the institutional order from those elements that conspire against it." Suarez thus denied a news report which stated that on 14 August the government reportedly studied "with concern" the entrance of alleged foreign terrorists, during a meeting among Foreign Minister Dante Caputo, Defense Minister Horacio Jaunarena, and Facundo Suarez himself.

Suarez minimized the importance of that meeting, saying that "these meetings are held regularly to provide an opportunity for the ministers to be informed about the type of intelligence SIDE is carrying out."

In this respect, he stressed that "the era when the SIDE was an arm of the police of an ideological nature has passed. At the present time we are carrying out a really true intelligence task." He also stated that the SIDE "will never again become an arm of the police; and it will limit itself to its appropriate task: information."

After pointing out that the SIDE "has not noted the entry" into Argentina of alleged foreign terrorists, Suarez ratified statements by Interior Minister Antonio Troccoli that there "has been no type of subversive resurgence in the country."

He then stated that Chile "is experiencing a stage of great violence that entails some inconvenience for Argentina," but at the same time he ratified the government's "neutrality regarding events that could upset other countries."

He also maintained that the SIDE "has not organized any type of action to violate the freedom of the citizens." He stressed that "there is absolute freedom of expression, and political parties act without restrictions."

NAVY OUTLINES MODIFICATIONS TO DEFENSE LAW

PY191525 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2125 GMT 14 Aug 86

[Text] Buenos Aires, 14 Aug (NA) -- The Navy today proposed a series of modifications to the National Defense Law, which has already been approved by the Chamber of Deputies. The highlight of the modifications refers to the participation of the Armed Forces "when any type of aggression or threat has to be faced," not only "when the aggression is of a foreign nature," as specified in the original document. The Navy also proposes the elimination of the principle of military intelligence organizations "in no way" becoming involved in "the country's internal political affairs."

The Navy has also stated that it supports the replacement of the chief of staff of each force and the naming of a commander in his place. It has also proposed the post of chief of the Joint Staff be rotated among the Army, Navy, and Air Force.

These ideas are contained in an extensive 26-page document that Navy Chief of Staff Admiral Ramon Arosa this afternoon submitted to Antonio Berhongaray (UCR [Radical Civic Union] for La Pampa Province), who is president of the Senate Defense Committee. The document recommends modifications to 19 of the 37 articles of the National Defense Law.

The Navy's document also proposes the creation, jointly with the Defense Cabinet and the Military Committee, [passage indistinct] drafted by the executive branch of the National Intelligence Center, and the elimination of a paragraph that specifically establishes that the members of the Armed Forces "will be subject to a rule of internal discipline and they will adjust their procedures to national and international laws that apply to armed conflicts."

The document states that it is also necessary to exclude a part of the draft's first article that establishes that none of the National Defense Law regulations "will be interpreted to the detriment of the constitution or of the representative, republican, and federal system of government.

"This wording," the document stresses, "is redundant, because there can be no law that is contrary to the spirit and/or letter of the constitution."

Regarding its request to modify the phrase "aggressions of a foreign nature" for the phrase "every type of aggression or threat," the Navy's document states that "it must be taken into account that aggression cannot be considered as only foreign and military, there is also the aggression that affects the nation's interests, whether they are diplomatic, economic, or ideological."

In the 7th article the Navy wants to change the passage "the National Defense Cabinet will be presided over by the president of the nation" for the passage " the meetings of the National Defense Cabinet will be presided over by the president of the nation," based on the argument that the chief of state "presides over the cabinets, but is not a member of them."

On requesting modifications to the 9th article, the document states that the military committee will assist the president in conducting war in all its phases, because "modern wars are fought without a prior declaration and, therefore, they do not have a well-defined starting point" and, therefore, "the president would be deprived of advice even after the hostilities have started."

On changing the current title of chief of staff to commander, it is noted that the suggested title "respects and differentiates constitutional rights and at the same time gives each force a title that is in accordance with its appropriate functions."

Regarding the National Intelligence Center, the document maintains that the "military intelligence doctrine, where the intelligence system is instituted, establishes rules and procedures for the collection, evaluation, and dissemination of military intelligence, and it also establishes each level's guidelines in executing the effort and the functional relations that they maintain between themselves and each level of the hierarchy of the political leadership."

The document states that if the "executive branch orders that" the post of chief of the Joint Staff be rotated among the three Armed Forces," it will prevent "frictions and thus make the results of the organizations' orientation much more balanced."

Article 15 stresses that "the dissuasive use of the Armed Forces is a strategic model to be used only when the adversary has been clearly defined," but with the provision that "the effective use is to be a last resort, and that this attitude can change substantially according to the mission assigned by the president."

In conclusion, the document indicates that it believes that the law must contain the expression "military zone," and define the responsibilities that will be exercised in such areas.

ALFONSIN TO RETURN TO BRAZIL IN DECEMBER

PY160337 Buenos Aires TELAM in Spanish 2334 GMT 14 Aug 86

[Text] Buenos Aires, 14 Aug (TELAM) -- President Raul Alfonsin will travel to Brazil on 15 December to work with Brazilian President Jose Sarney on implementation of some of the bilateral cooperation accords that were signed in Buenos Aires at the end of July.

This information was supplied by Argentine and Brazilian businessmen who are staying in contact to arrange the timetables and the methodology to be used in commercial operations within the framework of the bilateral cooperation accord.

STREET RIOTS IN ORURO; 42 ARRESTED, 7 INJURED

PY200213 Paris AFP in Spanish 0038 GMT 20 Aug 86

[Text] La Paz, 19 Aug (AFP) -- It was reported here today that in the past few hours 42 people were arrested and 7 injured during clashes between demonstrators and the police in the city of Oruro. A general, indefinite strike over regional demands has been underway there since 14 August.

Miner Federation leader Simon Reyes, a member of the Chamber of Deputies, has said thousands of miners are coming from their districts to the capital cities of Oruro and Potosi Departments, where there has been intense social mobilization. He added that miner leaders are meeting to coordinate their actions with the general strike called by Bolivian Labor Confederation (COB) for 21 and 22 August.

The most serious incidents ocurred in Oruro, where thousands of workers, students, teachers, and peasants detonated sticks of dynamite as they clashed with police, who tear-gassed the demonstrators.

The Oruro civic committee and union organizations demand the reopening of the state-owned mining and metallurgical companies, the provision of utilities, and an authorization to operate two television stations. The Oruro and Potosi Departments and the mining sector decreed a general strike, demanding the government solve the crisis in the mining sector. They also demand a solution in connection with the plan to close 11 companies and dismiss 13,000 miners. In view of this, Deputy Interior Minister Guico Meruvia went to Oruro to try to meet civic and union leaders in search of a solution to the crisis.

Interior Minister Fernando Barthelemy a few hours ago said the government might impose the state of siege in case of a widespread mobilization fueled by opposition labor sectors, which might be trying to create an atmosphere of subversion to topple the government.

For his part, defense Minister Fernando Valle has said if the police forces are overwhelmed by the demonstrators, the Armed Forces will take the necessary action to preserve order.

U.S. TO SUPPLY SERVICES TO JOINT COMMISSION

PY191602 La Paz La Red Panamericana in Spanish 1130 GMT 19 Aug 86

[Text] Foreign Minister Guillermo Bedregal Gutierrez has stated that Bolivia and the United States have decided to create a commission to fight drug trafficking. After his last meeting with President Victor Paz Estenssoro, the decision was made to continuously rotate U.S. troops and equipment. According to the foreign minister, the two governments will create a joint commission.

The U.S. Government will supply logistical and technical support through a program aimed at rotating the special U.S. forces and equipment.

Reporting on the outcome of his recent trip to Washington, the foreign minister stated that it was decided that the U.S. troops will proceed with a continuous rotation program. The training of men and the supply of equipment to the special Bolivian forces by U.S. Army experts is also planned.

The foreign minister failed to mention how long the U.S. troops will stay in Bolivia. On this point, there are no official reports, Bedregal Gutierrez said. We only have the comments made by Ambassador Fernando Illanes, who reportedly stated that U.S. troops will stay, quote, 60 days, unquote, in Bolivia.

Drug Raid Near Trinidad

PY191511 La Paz La Red Panamericana in Spanish 1130 GMT 19 Aug 86

[Text] Information Ministry Director Jaime Vazquez has reported in Communique No 9 that U.S. troops and Umopar [Mobile Units for Rural Areas] forces have recently raided an important airstrip used for drug trafficking supplies and operations.

[Begin Vazquez recording] A clandestine airstrip, which apparently was used as a supply base for international drug trafficking operations, has been located by Umopar forces with the logistical support of the U.S. mission some 250 km northwest of Trinidad.

The raid started early in the morning when several patrols were deployed to locate the base, and then they continued through the jungle until they reached the airstrip. The patrols found more than 60 drums of gasoline. [end recording]

It has also been reported that the police have seized large quantities of chemicals -- mainly ether -- which were intended for use by laboratories in Beni Department. From the site inspection, it is believed the airstrip was being used to conduct transactions and also to ship out chemicals.

[Begin Vazquez recording] Inhabitants of San Antonio, a small town nearly 25 km from the airstrip, have said the airstrip was constantly being used by all kinds of aircraft.

Operations continued today in this area, although no laboratories were found. The operations will continue. [end recording]

This was the official report issued by the Information Ministry on actions conducted over the past few hours against cocaine traffickers in Bolivian territory. The Information Ministry will issue its regular communiques when the actions against drug trafficking are resumed.

BEDREGAL COMMENTS ON RECENT TRIP TO U.S.

PY191856 La Paz La Red Panamericana in Spanish 1130 GMT 18 Aug 86

[Excerpts] In the opinion of the Bolivian foreign minister, the negotiations with the U.S. Government were successful. After returning, Foreign Minister Guillermo Bedregal Gutierrez told Panamericana the following:

[Begin Bedregal recording] The first stage of the mission that took us to the United States was successful. Something apparently unusual occurred; the venue for the meeting with the U.S. President was changed. It was held in his office -- the Oval office -- in the presence of the most important officials of his administration: Secretary of State Shultz, Secretary of Defense Weinberger, Secretary of Treasury Baker -- of the famous Baker Plan, -- Attorney General Edwin Meese III, and the under secretary for cooperation. This meeting lasted more than the usual 10 minutes. [passage omitted] [end recording]

Bedregal also explained that the visit cannot be considered a request for help, but a coordination of efforts within a global program. He continued:

[Begin Bedregal recording] We did not ask them to help us. Help is a word that particularly (?disgusts) me. We explained the necessity for [word indistinct] drug trafficking, (?according to the law,) as a joint task of the Bolivian and U.S. Governments, and of the governments that are involved in this [words indistinct] crime. As far as volume is concerned, the greatest harm drug trafficking causes is to the moral structure of a society, particularly in the United States and other industrialized countries. These are the countries more virulently affected by the consequences of this malignant trade. [end recording]

Referring to the statement of U.S. President Ronald Reagan, Bedregal said:

[Begin Bedregal recording] During our meeting, President Reagan perfectly understood our request. We were not here to hold a discussion. We took a program of figures, an immediate disbursement, that would ethically resemble an invoice for actions conducted by the country to fight a crime as evil as that. If this was understood on those terms, obviously our task was very important. Right after the meeting with President Reagan, in an almost marathonic relay of work, we held individual meetings with each one of the secretaries, with the worldwide chief of the Agency for International Development, at the Department of State with Mr Shultz, separately with Mr Weinberger, [words indistinct] and with the secretary of the treasury, very positive meetings. [end recording]

Later, when asked about the negotiations for the $100-million loan to continue with the fight against drug trafficking, Minister Bedregal said:

[Begin Bedregal recording] It is a 3-year program that would cost basically some $400 or $360 million. Right now, to start implementing this program, we would need a bridge loan of $100 million, that is obviously [words indistinct] and have to be well figured out. The difficulty, however, is that we cannot simply say: Give me a $100-million check to continue this fight.

Such a proposal would be totally routine and would not reflect the reality of an action as complex as the one we have just started. Besides, this matter is also related to the balance of payments to our current economic policy, and to the program of economic reactivation we will have to conduct as soon as the consultative group of the World Bank meets. [words indistinct] This reactivation program will be launched in the month of October, under circumstances making this reactivation not merely a matter of empty words, but something real and concrete, based on the priorities of our development [words indistinct].

Besides, we had to hold talks with the IMF. Mr de Larosiere was on vacation, so we talked to his deputy. We also talked with IDB officials in order to plan multiple actions in an attempt to solve the dramatic and critical situation we are experiencing. [passage omitted] [end recording]

According to Minister Bedregal, we have succeeded in obtaining international confidence in the operations being carried out in Bolivia. [passage omitted]

In conclusion, Bedregal said -- referring to the operations against drug trafficking -- We cannot talk about military support. We are receiving police support from experts who are making their contribution to Bolivia. In answer to several questions by Panamericana on the talks with Chile, Minister Bedregal commented on some reports that have led to speculation.

[Begin Bedregal recording] I have explained that it has been a rapprochement, a rather personal rapprochement of the spiritual kind, to start an effectively positive dialogue. To overcome a stage [words indistinct] is what we must do now. Nevertheless, the reporters' guesswork has absolutely no official basis with regard to the talks we held for more than 9 hours with Chilean Foreign Minister Jaime del Valle and his friend, the Peruvian foreign minister. [end recording]

GOVERNMENT DECREES 20-PERCENT IMPORT TAX

PY161522 Madrid EFE in Spanish 0211 GMT 16 Aug 86

[Text] La Paz, 15 Aug (EFE) -- The Bolivian government today enforced a new customs tariff with a fixed tax of 20 percent on all imports, both by private business and the public sector. The government said: "The critical economic situation of the country demands that emergency measures be taken."

The government decree enforcing the new tariff simplifies the customs rules for imports and consolidates all concepts in a single tax, officials assert. The 20-percent tax will be applied to all imports on the value of the goods placed at the border. There are exemptions for imports made by diplomatic missions or those covered by the investment law.

The private sector and the industries have expressed their concern over the single 20-percent tax, since it does not differentiate between the imports of raw materials, machinery and tools for foodstuff production, and the luxury imports, such as cars. The Bolivian agroindustry and the agricultural sector have said that the 20-percent tax will affect the price of foodstuffs of which 40 percent are imported. According to estimates by the businessmen, the single import tax may cause an increase in foodstuff prices of 8 to 12 percent.

FRG REPRESENTATIVE DISCUSSES INCREASED SUPPORT

PY200111 La Paz EL DIARIO in Spanish 15 Aug 86 p 5

[Text] Dr Volkmar Kohler, a representative of the FRG Government now visiting Bolivia, has expressed his country's intention to cooperate with Bolivia "beyond bilateral support."

Kohler is an official of the Federal Ministry of Economic Cooperation. During his stay in La Paz, he will meet government authorities, congressmen, and departmental authorities. After his visit to Bolivia, he will travel to Brazil, and then to Denmark.

According to Kohler's statements, he came to Bolivia to learn about the national situation, particularly in the economic field; Kohler said that during the meetings he held with President Victor Paz, Vice President Julio Garret, and other authorities, the favorable atmosphere allowed him to learn some aspects inherent in the Bolivian economy, and he will transmit the Bolivian necessities to his government.

Kohler explained the help the FRG is ready to offer cannot be expressed in figures, but that his country belongs to multilateral organizations, such as the IDB, the World Bank, the IMF, and others, in which it has a decisive role in the decisionmaking. In order to make any decision, these organizations must consult the FRG or get its approval. Therefore, if the FRG knows the Bolivian problems, it can help through its representatives in those organizations, with decisions that benefit Bolivia.

When asked about the total amount of the Bolivian debt to the DRG, the FRG ambassador to Bolivia who was also present on that occasion said it amounts to DM24 million. This debt, according to agreements made with the Paris Club for bilateral debts, will be paid just like the debts to other creditor countries.

Kohler also said no further loans have been negotiated with the Bolivian authorities. He visited the projects being financed by the FRG, and said the rural projects being conducted with the participation of the beneficiaries are a priority because they do not require the participation of big companies.

PINOCHET ANSWERS CRITICS, DENIES SEEKING POWER

PY191454 Santiago Domestic Service in Spanish 1030 GMT 19 Aug 86

[Excerpts] Speaking in Cauquenes, President Augusto Pinochet said the huge extremist arsenal discovered in the northern region of Chile is worth $5 million. President Pinochet said we have discovered a plot planned by opposition members living both inside and outside the country. The following is a relay from Cauquenes:

[Begin relay] President Pinochet today said in Cauquenes that the politicians who are always distorting information that is not to their advantage could never deny they have lost $5 million with the finding of the subversive arsenal in the northern region.

The president also said that in view of the discovery's seriousness, the government will soon enforce decisive measures, but he did not specify these measures. [passage omitted] President Pinochet closed his address by issuing a new appeal to non-Marxist sectors to eradicate violence.

Immediately after this ceremony, members of the local community held a luncheon in his honor at the end of which Pinochet delivered another speech. This time, Pinochet denounced the attacks to which the government has been subjected by Marxism since 1973 and particularly over the last few months through a plot planned by members of the opposition who live in Chile and abroad. He also denounced the fact that in their struggle Marxist opposition members have acted in various groups such as the National Coordinating Union Board; the committees for the rights of the people; the committees for the rights of youths; and the National Civic Assembly, among others. The president said: There are a thousand ways to present the same objective, which is to overthrow the government.

Pinochet also referred to the existence of arsenals which were part of the opposition's plan to overthrow the government. He added that the number of arms found were greater than those of the Chilean Army [sentence as heard].

He stated he will not yield 1 single inch to the communists and answered his detractors who charge he is power hungry by saying:

[Begin Pinochet recording] I do not want to expand on this because I do not want to create an atmosphere of fear among the people. But I want to make it perfectly clear: (?They say I run like a hare), but I will not yield 1 single inch to the communists. [long applause, shouts of "Pinochet, Pinochet"]

Many charge that I am power hungry, but I am here not out of ambition. I am here because I am convinced that I am struggling for a great cause: my fatherland.

They cannot take anything from me, nothing at all. I am an austere man. (?This is my personal rule.) As a man, I am not one who seeks luxury or anything not in keeping with an austere life. I love my family, and I love my wife. Consequently, the only thing they can charge now is that I am alone. But when I look around to see if I am indeed alone and I see that I am surrounded by people, I feel an urge to embrace all those around me. [long applause]

I end this message by thanking you for your affection and also by saying that the discovery [of the arsenal] in the northern region may be denied, and a thousand things may be said about it, because politicians are always distorting things to their advantage, but they will never be able to deny they lost $5 million worth of arms. [end recording] [passage omitted] [end relay]

PINOCHET: ARMED FORCES WILLING TO SHED BLOOD

PY200303 Paris AFP in Spanish 0231 GMT 20 Aug 86

[Text] Chillan, 19 Aug (AFP) -- President General Augusto Pinochet today said the Armed Forces and Police are determined to shed the last drop of blood to keep the regime for the good of all Chileans. He added: I know the psychological campaign continues. A colonel in charge of the protocol in the Santiago garrison has been kidnapped, but we have the courage to confront them if necessary.

Mario Haberle, a high-ranking officer of the Army, was kidnapped on 18 August by an unidentified armed commando. He has now been in the hands of his captors for 40 hours, and his whereabouts is unknown.

Gen Pinochet who spoke in the gymnasium in Chillan -- 400 km south of Santiago -- to a crowd of about 2,000 youths, emphasized that the Armed Forces will continue to work to implement the national Constitution which established his mandate until 1989.

Pinochet expressed his categorical rejection of foreign intervention in Chilean internal affairs. He reiterated the decision of the Armed Forces and Police to achieve peace and security for Chileans in the face of the efforts to destabilize his government through the use of violence and weapons. Pinochet said: We members of the Armed Forces and of security forces are determined to shed our last drop of blood to safeguard freedom and to preserve all this for the good of all of you.

Then, thanking those supporters who attended the rally, Pinochet said: The support you are now giving the government shows that the government is not alone, that it is backed and supported by all of you.

On the 2d day of a 3-day tour of the Chilean central region, Pinochet stated that those attempts to bring the nation to a standstill are directly detrimental to the workers, especially, to the most needy sectors. Opposition sectors are preparing a second national stoppage for 4 September, a date when presidential elections are usually held in Chile. The clandestine Manual Rodriguez Patriotic Front (FPRM) has also made a call to the people to paralyze the country.

CUADRA SAYS TIME FOR 'CHILDREN'S' GAMES OVER

PY190352 Paris AFP in Spanish 2243 GMT 17 Aug 86

[Text] Santiago, 17 Aug (AFP) -- After the discovery of a very powerful subversive arsenal on the coasts of northern Chile, General Augusto Pinochet's government today warned that the time for playing children's games is over.

Stressing that the situation is serious, Minister Secretary General Francisco Javier Cuadra stated this is not a time for weakness, it is a time for definitions.

The first arms cache was discovered on 7 August, and then three more caches were discovered apparently unloaded in the area of Carrizal Bajo, 770 km north of Santiago. The caches included: 1,700 U.S. carbines; approximately 100 Soviet rocket launchers; and tons of explosives, according to the authorities.

The official reports have provoked incredulity in opposition sectors, while the clandestine FPMR (Manuel Rodriguez Patiotic Front) and the MIR (Movement of the Revolutionary Left) -- whom the government has accused of promoting this subversive operation -- have stressed that the discovery of the caches is a farce from start to finish.

In an interview published on 17 August in the newspaper EL MERCURIO, Cuadra warns: He who has eyes, observes; he who has ears, listens -- apparently referring to the skeptics. The high-ranking official also stated that the time for playing children's games is over, and he stressed it is necessary for the subversive groups to be isolated, terming as naive the strategy of the moderate opposition, which is promoting civilian disobedience against the regime in order to achieve a return to democracy.

In an extensive recount of the most recent dynamite attacks, kidnappings, and the violent deaths of opposition members and government agents, EL MERCURIO states that between January 1984 and June 1986 the Chilean diary of terror and political violence had more than 1,000 entries. The process appears to be escalating and has resulted in approximately 100 deaths, the article adds.

PINOCHET 'TARGETS' CNS LEADERS FOR ATTACK

PY192247 Santiago Radio Chilena in Spanish 1700 GMT 19 Aug 86

[Excerpts] National Union Coordinating Board [CNS] President Manuel Bustos this morning said General Augusto Pinochet's remarks on the CNS target CNS leaders for possible terrorist attacks. Bustos added that the same thing happened after the president leveled charges against ANEF [National Association of Government Employees] leader Tucapel Jimenez. Bustos said the president's statements in Cauquenes -- where Pinochet said that the CNS is a communist front organization -- are very unfortunate.

[Begin Bustos recording] I want to tell you that, unlike Gen Pinochet, the CNS does not operate as a communist front organization. Actually, for 11 or 12 years he has engaged in an intense anticommunist campaign. He has thus advertised communism in Chile, free of charge, particularly in the case of the arsenal they said they discovered, in their campaign through the television, the radio, and the press. The government claims to have discovered over 2,000 rifles and an incredible quantity of dynamite. How then can one expect the anticommunist policy of the past 12 years to be of any profit at all? [end recording]

This means that the true communist activist is the government, rather than the CNS, Bustos said. [passage omitted]

Bustos compared what happened on 18 August with the atmosphere prevailing before the murder of Tucapel Jimenez.

[Begin Bustos recording] Gen Pinochet, who claims to be working for the unity of Chileans, should not attack unions. The only thing I can say is that the president's remarks yesterday have made us possible victims of the groups inserted in the regime: the same groups who have abducted and killed a boy, whose body was found upon the stones in Santo Domingo, and the same groups who have beheaded professors. Now we are on the top of the list of victims. We must recall Tucapel Jiminez' death. Tucapel Jiminez was killed after Gen Pinochet mentioned him in Temuco. That is why the president's remarks have made us possible victims of the extremist groups sheltered by the security agencies. [end recording]

Bustos concluded by saying the president will be directly responsible for anything that may happen to CNS members, because with his remarks he paved the way for the murder of union leaders. Bustos added that some people do not want Chilean unions and union leaders to struggle for the rights of workers.

SECURITY SERVICES REPORTEDLY SPYING ON EMBASSIES

PY191816 Madrid EFE in Spanish 1805 GMT 19 Aug 86

[Text] Madrid, 19 Aug (EFE) -- The security services of the Chilean military government have been engaging in espionage activities to obtain confidential information from the Spanish Embassy in Santiago. Sources of the Spanish Foreign Ministry who are aware of the affair have reported that the embassies of several other countries in Santiago were apparently also targets for espionage by the security services of the Chilean military government.

Reliable sources have told EFE in Madrid and also reported outside of Spain that the Spanish Government has concrete evidence of the affair. According to these sources, many confidential reports and secret communications exchanged between the Spanish Embassy in Santiago and the Spanish Foreign Ministry in Madrid have fallen into the hands of Chilean intelligence organizations.

EFE has discovered that some of the intelligence material collected by the Chilean security services is dated this year. There are coded documents, some of them secret, that were sent from Santiago to Madrid and also similar documents issued by the Spanish Foriegn Ministry that were received at the Spanish Embassy in Santiago.

A spokesman for the Spanish Foreign Ministry told EFE that none of the documents intercepted by the Chilean security services was important. "None of them was much more than wastepaper basket material," he said. The spokesman indicated that the Spanish authorities have been aware of the situation for several weeks and that security measures at the Spanish Embassy have been reinforced.

The Spanish Foreign Ministry has raised the issue with the governments of other countries whose embassies in Santiago have also been subjected to espionage, the spokesman said.

Government: 'No Comment'

PY200341 Madrid EFE in Spanish 0218 GMT 20 Aug 86

[Text] Santiago, 19 Aug (EFE) -- The Chilean military government did not make any declarations today about the news coming from Madrid saying that Chilean security services have allegedly spied on the Spanish Embassy in Santiago. When questioned about this subject, Foreign Ministry spokesman Ambassador Pablo Valdez said: "We cannot make any comment," since no official information has been released on this subject.

Spanish Foreign Ministry sources, who knew about the matter for some weeks, confirmed in Madrid today that some confidential documents of the Spanish Embassy in Santiago had allegedly reached the Chilean intelligence services. The same sources added that apparently other embassies in Santiago -- which they did not identify -- are being watched. They also minimized the importance of the intercepted communications of the Spanish Embassy in Santiago.

These remarks seem to confirm an earlier report delivered to EFE by Chilean exiles in Spain to the effect that the other affected embassies could be those of Uruguay and Venezuela.

The Spanish Embassy in Santiago has declined to comment on reports of the alleged espionage activities carried out against it. In reply to EFE, a Spanish Embassy spokesman said: "No comment." The spokesman did not want to comment on the vulnerability of their security system and declined to confirm or deny reports that in recent weeks security measures have been reinforced at the Spanish Embassy.

"Like any other embassy," the spokesman said, "the Spanish Embassy in Santiago has its own security measures."

Venezuelan Ambassador to Chile Hector Vargas Acosta has also declined to comment on the subject by contending that he had no information on it. An Uruguayan Embassy spokesman gave EFE a similar reply. Like the Venezuelan and Spanish Embassies, the Uruguayan spokesman also minimized the issue.

MERINO DENIES CIA TAPPING, HELMS REPORT

PY191712 Santiago EL MERCURIO in Spanish 8 Aug 86 p C5

[Text] Admiral Jose Toribio Merino yesterday emphatically rejected the possibility that the CIA is tapping the internal communications of the Armed Forces, as reported by U.S. newspapers.

"Nothing of the sort. It is not true. It is a lie," Adm Merino stated.

Adm Merino said this at the end of a special session of the Government Junta, which yesterday approved the Electoral Law. Adm Merino also briefly referred to other issues attracting public attention.

When asked whether he is denying the rumors that the Government Junta has received secret information from Senator Jesse Helms, Adm Merino stated: "Not at all, not at all. He does not know anything about secrets, and neither do I."

Concerning the death of the University of Santiago leader [Mario Martinez], Adm Merino stated that he learned the news from the press.

When asked his opinion on the current situation, Adm Merino stated that "my opinion is that the analysis made some 3 weeks ago on the general guidelines that terrorists will use in the future has concluded that the selective assassination of people would be implemented to produce a split in public opinion over the state's capability to ensure tranquillity."

Opposes U.S. Intervention

PY200331 Santiago Radio Chilena in Spanish 2300 GMT 19 Aug 86

[Excerpts] With regard to the release on bail of the Civic Assembly leaders, Admiral Jose Toribio Merino Castro said, quote, I hope they take advantage of their freedom to organize another protest on 4 September, unquote. Regarding the U.S. intervention in Chile, Merino indicated that President Reagan should not get involved in Chilean affairs. He made these statements during a conversation with reporters in the Diego Portales building. [passage omitted] Admiral Merino rejected the U.S. intervention in Chilean internal affairs. He said the U.S. representatives come here only to observe the situation in Chile.

[Begin recording] [Merino] No one came here to intervene in our affairs. They come here to observe and learn because the information they get apparently is not complete. They take the information they obtain here back with them and then release it to the press there.

[Reporter] President Reagan advocates a peaceful and orderly transition in our country [word indistinct].

[Merino] [Words indistinct] Because President Reagan should not get involved here or tell us what to do. We do things as we like, and we have said this many times.

[Reporter] He advocates a peaceful transition just like the government wants.

[Merino] Well, that is fine [words indistinct] because this is exactly what we are doing. Those who oppose it are the ones who advocate revolution, communism, destruction and all kinds of psychological tension on the population to create chaos. Communism wants chaos because this is where the communists get their power. [end recording]

In conclusion, Merino emphasized that the government and the country strongly oppose U.S. interference in Chilean affairs.

FPMR CLAIMS RESPONSIBILITY FOR KIDNAPPING

PY200317 Madrid EFE in Spanish 0240 GMT 20 Aug 86

[Text] Santiago, 19 Aug (EFE) -- The Marxist group Manuel Rodriguez Patriotic Front (FPMR) tonight claimed responsibility for the kidnapping of Colonel Mario Haberle Rivanedeira.

Three international press agencies including EFE received a phone call giving instructions to go to a place in Santiago where the FPMR had left an envelope containing two written communiques, a picture of the colonel, and the officer's identity card. One of the communiques has an FPMR declaration stating Colonel Haberle's life is at stake if the regime of General Augusto Pinochet does not stop the repression of the people. The other communique is aimed at the Armed Forces, calling on them "to stop repression" and to join the opposition struggle.

POLITICIANS REACT TO PASCAL ALLENDE'S REMARKS

PY192359 Santiago EL MERCURIO in Spanish 10 Aug 86 p C4

[Excerpts] Representatives of various Chilean political parties yesterday categorically rejected the remarks of Andres Pascal Allende, secretary general of the Movement of the Revolutionary Left (MIR).

EL MERCURIO asked the politicians for their opinions about the remarks Pascal Allende made in a clandestine press conference held in Santiago on 8 August. In this press conference, Pascal Allende advocated "armed struggle."

The MIR leader states, "Only a popular uprising will overthrow the dictatorship," and ruled out any dialogue with the Armed Forces and the proposals for social reconciliation, which he labeled, "a blank check for the ruling classes."

Politicians of various leanings agreed that Pascal Allende's remarks contradict the objective of establishing a democratic regime in Chile. [passage omitted]

Radical Party President Enrique Silva Cimma criticized the coverage the news media allots to Pascal Allende's statements, adding: "I would like the media to give the democratic parties, which are struggling for a peaceful return to democracy, the same coverage they allot to the MIR and other similar movements."

He went on to say: "If this clandestine press conference indeed took place, then all I can say is that the remarks are sheer nonsense, the result of total ignorance of Chile's real status quo."

Silva Cimma emphasized: "Our people do not want 'executions,' 'military actions,' 'expropriatory actions,' or 'popular power,' the way they are described in the interview. What the people want is peace, freedom, and democracy. Thus, we are struggling peacefully and abhor violence and terrorism.

Eugenio Ortega, secretary general of the Christian Democratic Party [PCD], categorically stated: "We should not play Mr Pascal's game. It is not suitable to pay attention to someone who is just seeking publicity. The country is well aware of his political irresponsibility and of the immense harm the MIR has done to the Chilean people and to their democratic cause."

Ortega stressed: "General Pinochet has pointed them out as his 'ideal enemies.' He has declared war on them, and by doing so he justifies any outrage."

He stated: "After 20 years they remain a tiny minority that some people want to watch and even promote. Those who advocate violent and armed struggle, like Mr Pascal, end up by going to the other extreme and continue harming the cause of Chile and its people. This cause is none other than the peaceful and urgent return to democracy."

The Christian Democratic leader went on to say: "Certain sectors, which support the government, take advantage of this kind of remark to slander democratic sectors, thus giving rise to an atmosphere that is favorable to polarization and extremism. The true allies of extremism in Chile are the people who block political solutions." [passage omitted]

Armando Jaramillo, president of the Republic Party, also scored the statement of the MIR leader, adding that he "categorically disqualifies them."

Jaramillo said: "Pascal Allende has been out of Chile for a long time and is, therefore, essentially ignorant of the status quo and the aspirations of the Chileans."

He emphasized: "We are in favor of peaceful social mobilization. To speak of popular uprising is tantamount to seeking to plunge the country into an extremely violent confrontation which could only lead to a bloodbath and will justify the current regime and make it stronger."

As to Pascal Allende's remarks about dialogue with the Armed Forces, Jaramillo indicated: "By saying what he did, Pascal Allende confirmed he is totally out of touch with the country's true status quo." Jaramillo concluded by saying: "Any agreement for the return to full democracy will require prior dialogue with the Armed Forces, which, as far as I am concerned, are simply citizens in uniform."

ANALISIS BACK ON STREETS; DIRECTOR STILL IN JAIL

PY192045 Santiago Radio Chilena in Spanish 1700 GMT 19 Aug 86

[Excerpt] ANALISIS magazine is already on the newstands, but its director, Juan Pablo Cardenas, has been in the Capuchinos annex of the Santiago Jail for 21 days.

Maria Olivia Monckeberg, ANALISIS deputy director, has expressed to Radio Chilena her concern over Cardenas' arrest.

[Begin Monckeberg recording] Well, ANALISIS is on the streets again after its 3-week closure. But our director, Juan Pablo Cardenas, has already been in jail for 21 days. He is at the Capuchinos annex of the Santiago jail. We are concerned over the trial process, because last week, on 12 August, we appealed the indictment issued by Judge (?Lionel Beraux). [passage omitted] [end recording]

SOCIAL DEMOCRATIC UNION ISSUES PROPOSAL

PY192226 Santiago LA TERCERA DE LA HORA in Spanish 11 Aug 86 p 6

[All quotations marks as published]

[Text] The Social Democratic Union, [USD], a movement established by a group which recently split from the Social Democracy, "seeks the establishment of full democracy in our country." This is included in a political document entitled "Social Democratic Project" recently issued by this group.

The Social Democratic Union states: "The USD will not only be a political expression which upholds human rights but also one having a deep social content concentrating on the enforcement of all rights of workers because this is the only way for a democracy to be just, stable and permanent." In the document, "the USD expresses its respect for private property, and also the production sector. It adds that property must be used for social purposes. It also notes wealth and labor must also be fair to avoid anarchy as well as all forms of capitalist exploitation." It also upholds: "The concentration of economic power must be avoided because it creates distortions that dangerously interfere in the people's ability to make sovereign decisions."

USD accepts foreign investments which follow national regulations as long as they are limited to the business sector. It refuses to grant privileges to the sectors that are not in keeping with the treatment granted to the Chilean investments.

The USD also promotes the existence of intermediate social organizations and the development of economic organizations resulting from the cooperation and initiatives of workers.

The USD political project also notes: "The unity of the democratic left is a historical imperative and through it we will end those divisions caused by minority sectors."

BARCO ON MILITARY'S ROLE, TIES WITH CUBA

PA191913 Bogota EL TIEMPO in Spanish 14 Aug 86 pp 1-A, 9-A

[By German Acero Espinosa]

[Excerpt] President Virgilio Barco yesterday demanded the Armed Forces' total loyalty and warned the country that he will not be intimidated by the subversive groups that want to spread violence. He also admitted that the possibility of reestablishing relations with Cuba in the future has not been dismissed.

Barco was at the Military Cadet School yesterday for the ceremony in which the Armed Forces recognized the president. Also present were former Presidents Carlos Lleras Restrepo and Julio Cesar Turbay Ayala and several retired generals, including former Defense Minister Miguel Vega Uribe.

The president took advantage of a meeting with the press to confront the Conservatives regarding their constant refusal to participate in the government. He said he has at all times called on the Conservatives to collaborate in his government, but they have preferred a reflective opposition.

In an urgent tone Barco said his government will not apply a "sweeping policy" in administrative positions; he denied rumors regarding the suspension of the work contracts of more than 100 public employees.

Barco made a broad analysis of what the peace process will be within his government, and he explained that for some time he and his advisers have been outlining a strategy that will lead to the country's normalization and institutionalization in such a way that the government can establish peace in the country within a prudent deadline.

Regarding the state of siege, he did not hesitate to say that it could be gradually lifted in some parts of the country, but he clarified that it is not a measure that is currently being studied.

Regarding the reestablishment of diplomatic relations with Cuba, he said that there has been much speculation, to the point where some sectors of the press have said that former President Alfonso Lopez Michelsen and former Minister Jaime Castro were to travel to the island to hasten the process. "Colombia has a pluralist philosophy and maintains relations with many countries. Therefore, given that conditions are adequate, there would be no obstacle in resuming the relations we once had with Cuba," Barco said.

President Barco also attributed the greatest importance to yesterday's ceremony at the Military Cadet School since, he said, the ceremony has a very high meaning for the country's republican institutions, because the Armed Forces defend our sovereignty and democracy.

After receiving top honors from the four military branches, Barco greeted the ranking military officers and requested that the military establishment give his government total loyalty. He stressed the high degree of professionalism that exists within Colombia's military.

Barco said his program to rescue coexistence, peace, and normalcy, which was outlined during his campaign, has found the fundamental pillars for its execution in the military sector.

He insisted that the Colombian Armed Forces have a well-earned stature within Latin America because of their noble virtues and because of their firm adherence to the system of democratic government.

Barco stressed his respect for the Armed Forces and thanked Generals Miguel Vega Uribe, Augusto Moreno Delgado Mallarino, and Augusto Moreno Guerrero and Admiral Tito Garcia Motta for the services they have rendered to the fatherland.

"With the support of these institutions I can aspire to fulfill the government program we have prepared for the good of all Colombians, regardless of party, creed, race, or condition," Barco stressed. [passage omitted]

REBEL LEADER SEEKS ASYLUM IN AUSTRIAN EMBASSY

PA200359 Bogota Television Service in Spanish 0000 GMT 20 Aug 86

[Text] Carlos Jiminez Millan, head of the urban guerrillas in Cali, went to the Austrian Embassy in Bogota today to seek political asylum. The police reported this man as dead after a bloody attack on the house where Absalon Cuadros, Red Cross director from Buga, had been held hostage. Previously, two other guerrillas had asked for political asylum at the Swiss Embassy, but their request was rejected.

ARMY LOCATES CNG HOUSE, WEAPONS IN MEDELLIN

PA150041 Bogota Television Service in Spanish 1730 GMT 14 Aug 86

[Text] The 4th Army Brigade has located a National Guerrilla Coordinating Board [CNG] house in the northeastern sector of Medellin. During a search of some five neighborhoods of Antioquia's capital city, six submachineguns, two carbines, a rifle, five pistols, and a significant amount of ammunition were recovered. Two people were arrested.

CARTAGENA JUDGE ORDERS RELEASE OF OCHOA VASQUEZ

PA161648 Hamburg DPA in Spanish 1523 GMT 15 Aug 86

[Excerpt] Cartagena, 16 Aug (DPA) -- Colombian Jorge Luis Ochoa Vasquez, one of the alleged drug trafficking chiefs most sought by the U.S. authorities, was released by a Cartagena customs court judge after paying a bail of 2 million Colombian pesos (approximately $10,000).

Ochoa Vasquez, who was extradited from Spain to Colombia a few weeks ago after being held in jail in Madrid for more than 1 year on charges of drug trafficking, had been accused by a Cartagena judge of smuggling 127 bulls for bullfighting.

U.S. authorities believe the Colombian is one of the main chiefs of the drug trafficking between Colombia and the United States.

The Cartagena customs judge ordered the suspension of the 2-year sentence through the payment of bail and ordered that Ochoa Vasquez report every 15 days to the judge's office.

It has been learned that Ochoa Vasquez, who was being held in the "Ternera" jail, automatically obtained his freedom and left the city for an unknown destination. [passage omitted]

PRF HEAD SAYS ARMED STRUGGLE 'LAST CHANCE'

PY200012 Paris AFP in Spanish 2154 GMT 19 Aug 86

[Text] Asuncion, 19 Aug (AFP) -- During a panel discussion hosted by university students today, Febrerista Revolutionary Party (PRF) President Fernando Vera said armed struggle is the last chance to change the current Paraguayan regime into a democracy. The panel focused on the national dialogue being sponsored by the Catholic Church.

The PRF, a party which has abstained from elections despite its legal status, belongs to the National Accord, an opposition coalition. The Christian Democratic Party (PDC), the Authentic Radical Liberal Party (PLRA), and the Colorado Popular Movement (Mopoco) -- all of them outlawed -- are also members of the accord.

If the position of intolerance of the regime, headed by General Alfredo Stroessner, remains unchanged, if the government continues to disregard constitutional rights, and if it refuses to reach an accord with all the political and social sectors, then armed struggle will be the Paraguayan people's last chance to build a democracy, he stressed.

Vera, a retired IMF economist, said the National Accord and the national dialogue are using the same approach in the search for a transition from a totalitarian regime to a system of government guaranteeing freedom and democracy for all.

He recalled that the National Accord demands the state of siege -- which has been in force for 32 years -- be lifted that freedom of assembly, of the press, and expression be respected, and that the existing repressive laws be repealed.

GOVERNMENT BANS FESTIVAL FOR POLITICAL REASONS

PY191909 Asuncion EL DIARIO in Spanish 15 Aug 86 p 47

[Text] At noon yesterday the mayor of Ypacarai sent a note to the president of the Honorable Municipal Council, Juan Carlos Galaverna, and to the commission of the Lake Ypacarai Festival, informing them that the Interior Ministry will not authorize the 16th Lake Ypacarai Festival.

The ministry's decision, contained in the note to the Municipal Council, says: "I hereby notify you and whomever it may concern that this ministry will not authorize the 16th Lake Ypacarai Festival scheduled for 25 August-28 September. This measure has been taken because the program of the festival has been changed to fulfill political ends. Therefore, the festival is suspended until a new disposition is taken." At the end of the note there is a seal and the signature of Interior Minister Sabino A. Montanaro.

National Deputy Luis Becker, a member of the organizing committee of the festival and president of the Ypacarai Colorado Precinct, has said this measure is an attack against culture and: "The festival has not been changed for political reasons, as the note contends. The lake festival is a community effort with roots among the people themselves. To suspend it is to kill culture."

The deputy added that in the festival "there has never been and there is no party politicking. The members of the committee come from all sectors of public opinion."

CONGRESSMEN: CIA INVOLVED IN PIA VESTA CASE

PY191702 Paris AFP in Spanish 1139 GMT 19 Aug 86

[Excerpt] Lima, 19 Aug (AFP) -- Peruvian political circles today hinted that the Danish ship Pia Vesta detained in Panama was reportedly carrying weapons to the Nicaraguan contras in an operation in which the CIA is involved.

Although the Peruvian Government is maintaining absolute secrecy on the investigations conducted so far, congressmen of the ruling party are saying that the GDR weapons found aboard the Pia Vesta were on their way to destabilize deomcratic governments of the region.

Senator Humberto Carranza, of the ruling APRA [American Popular Revolutionary Alliance] party, has stated that the information gathered so far leads us to deduce that the CIA and other spy organizations that are enemies of democracy are involved in the smuggled weapons found aboard the Pia Vesta.

Before being detained in Panama, the Pia Vesta had anchored off the Peruvian port of El Callao. Congressional circles have discounted the possibility that the arms could have been meant for Peru and that the country was only a stopover on a maritime route whose final objective was to enter the zone where the Nicaraguan guerrillas are operating.

The U.S. daily THE WALL STREET JOURNAL on 18 July reported that a member of the U.S. National Security Council, Lieutenant Colonel Oliver North, provides weapons from the socialist bloc to the contras, and in Lima this has been considered proof of the Pia Vesta's destination.

Without revealing its sources, this week's edition of the magazine CARETAS states that the supply of weapons from Eastern bloc countries to the Nicaraguan contras has sought to create the image of an independent revolution, trying to make believe they are fighting with weapons seized from the enemy.

CARETAS also states that contraband operations of this type become very delicate, because not long ago the U.S. Congress refused to approve funds to the Nicaraguan guerrillas because such an operation involved a contradiction of congressional objectives.

CARETAS adds that the idea of providing weapons from the Eastern bloc to the contras is in keeping with the same principle used by the Soviet Union and Cuba of supplying U.S. weapons captured in Vietnam to the Salvadoran FMLN guerrillas. [passage omitted]

Senate Investigates

PY191634 Lima Television Peruana in Spanish 0100 GMT 19 Aug 86

[Excerpt] The Senate today designated a multiparty committe to investigate the case of the Danish ship Pia Vesta. This decision was made after a secret meeting that lasted more than 4 hours.

Senator Javier Silva Ruette will preside over the multiparty committee, which will investigate everything related to the course, cargo, and destination of the Danish ship Pia Vesta. This was decided during a meeting held in the Senate at which the Foreign Minister Allan Wagner Tizon, Navy Minister Vice Admiral Willy Harm, and Interior Minister Abel Salinas reported.

The secret meeting began at 100 and was presided over by Senator Armando Villanueva del Campo. After the 4-hour meeting, the ministers of state left the Senate without giving further information on the Pia Vesta case. The foreign minister briefly stated that the return of the Peruvian ambassador to the GDR is important because he will provide further information to the Foreign Ministry on this case and on the results of his negotiations in Berlin. He added that the investigations are continuing.

MINISTER HUAYTA COMMENTS ON IMF DECISION

PY190400 Madrid EFE in Spanish 0220 GMT 18 Aug 86

[Text] Lima, 17 Aug (EFE) -- Peruvian Energy and Mines Minister Wilfredo Huayta today said in Lima that Peru "is not alone," because "fresh new" dollars are being invested in the country.

Huayta added that among the investments is $400 million the U.S. Occidental Petroleum company will assign to developing its oil fields in the Peruvian jungle zone.

He also mentioned a $40-million credit from Brazilian banks for an energy development project, and $60 million from the Nordic countries for a project in the northern department of Lambayeque.

The minister referred to those investments when commenting on the IMF decision to declare Peru ineligible for new credits, and added that, "the IMF will not make our country yield through that decision."

Huayta said the situation created by the IMF declaration "is difficult and worrying, but not alarming."

IGLESIAS PRAISES TRADE WITH BRAZIL

PY191937 Paris AFP in Spanish 2220 GMT 18 Aug 86

[Text] Montevideo, 18 Aug (AFP) -- Foreign Minister Enrique Iglesias today said that in the future Uruguay will have a security cushion for its exports after signing several agreements with Brazil allowing Uruguay to market a good part of its agricultural produce there.

The minister, who participated with President Julio Sanguinetti in a 1-week official visit to Brazil, said the visit was historic and the two countries had fortified dialogue and understanding.

Following last week's agreements, Uruguay can place 60 percent of its rice production and 50 percent of its meat production in the Brazilian market.

I think the country has attained an old objective, which is to have a security cushion for agriculture, Iglesias said.

The agreements between Brazil and Uruguay were signed some weeks after Brazilian President Jose Sarney and Argentine President Raul Alfonsin signed in Buenos Aires a number of integration agreements with the aim of forming a subregional common market in a short period of time.

All this is part of the desire to achieve a closer relationship among the three countries, said the Uruguayan Foreign Minister.

COLORADOS WILLING TO GRANT AMNESTY TO MILITARY

PY200133 Madrid EFE in Spanish 0350 GMT 19 Aug 86

[Text] Montevideo, 18 Aug (EFE) -- The Uruguayan ruling Colorado Party today decided "to assume its responsibility" and "work for peace" to promote amnesty for members of the military who violated human rights during the "de facto" government (1973-1985).

The "Colorados" claim that as the "Tupamaro" guerrillas were granted amnesty shortly after the democratic government came to power, pardon must also be extended -- for the sake of justice -- to those who fought against the guerrillas.

The left and a sector of the main opposition National (Blanco) party refuse to grant amnesty, thus creating a conflict 18 months after the reestablishment of democracy in the country.

After a lengthy meeting between President Julio Maria Sanguinetti and the main leaders of the ruling Colorado party, an agreement was reached to immediately promote a bill to resolve the situation.

The decision was made after no negotiated solution was reached with the opposition parties who are demanding an investigation of the cases of human rights violations and punishment for those responsible.

The public discussion of the subject has caused uneasiness in sectors of the left and in retired military groups whose main officers were on active participation during the "de facto" period.

In this regard, Senator Manuel Flores Silva stated that in Uruguay "there are no good or bad tombs," referring to violations of human rights by subversives and those who fought against them.

Flores Silva added: "The time has come to assume responsibilities," and to open the doors "to all parties." He added: "The country will decide who is capable of making the difficult decisions and who is not."

He said the "12 years of illegality" have followed an internal war born from the terrorist movements.

Flores Silva stated we are living through a period of transition "and here we must look toward the future, and the solution cannot suppose that the deceased will rise and fight each other."

FRENCH OFFICIAL SUPPORTS CONTADORA, MEETS LUSINCHI

PA192002 Paris AFP in Spanish 1844 GMT 19 Aug 86

[Text] Caracas, 19 Aug (AFP) -- Didier Bariani, the French secretary of state for foreign affairs, today in Caracas criticized the lack of sufficient liberties in Nicaragua. He asked that the country "not enclose itself in an ideological position" and reiterated France's support for the peace-making effort being made by the Contadora Group (Mexico, Colombia, Panama, and Venezuela) in Central America.

Bariani, who is on a political tour of Latin America, visited Colombia and the Dominican Republic and will travel to Peru. He was received today by Venezuelan Social Democratic President Jaime Lusinchi. Bariani admitted that there could be "people discouraged by the lack of immediate results" in the Contadora effort, but he reiterated France's support for the quadripartite group.

"We believe that the dialogue through Contadora must continue; otherwise, if there were a political void, it could increase the confrontation and violence on the Latin American continent," he added. Asked about the possible "death" of Contadora, the diplomat said: "It is enough to say that during the inauguration of Colombian President Barco the members of the Contadora Group and the Support Group (Argentina, Brazil, Uruguay, and Peru) decided to continue their efforts."

"I must also say," Bariani pointed out, "that the developments in Nicaragua have not been satisfactory. The difficulties we see in that country, the fact that freedom of press as well as personal and political liberties are increasingly repressed, complicates things very much."

"In Bogota I had the opportunity to speak to some of the Latin American presidents. They are all against violence, against a military solution. What is needed is a common political will that will lead us all to make Nicaragua understand that enclosing itself in an ideological position, as it is doing, will not lead anywhere," he added.

Bariani said France is willing to help the Central American countries in the struggle against poverty and to ensure peace. The secretary of state made these statements after meeting with the Venezuelan president. After describing the meeting as "the most interesting I have had during my entire Latin American tour," he said that "the French point of view is identical to the Venezuelan president's."

With Lusinchi he also discussed the common concern over the struggle against drug trafficking and French interest in participating in a program of infrastructural projects in Venezuela that will cost $4 billion in 3 years. He also expressed satisfaction over the selection of French technology for the Caracas subway system.

CONGRESS PRESIDENT SUGGESTS GOVERNMENT PROGRAM

PA191422 Caracas EL UNIVERSAL in Spanish 11 Aug 86 p 1-13

[Letter sent by Leonardo Ferrer, president of the National Congress, to President Jaime Lusinchi, dated 6 August]

[Excerpts] I am deeply concerned about the social and economic situation that our country has been facing during these last few years and the lack of any apparent means to recover the optimism common to Venezuelans.

I have stressed through various channels -- lectures, speeches, articles, and books -- the need to speedily overcome the current backward situation and replace it with a grand national program in which each of us will play a corresponding role. This type of program is needed not only in Venezuela, but throughout the world.

The foreign debt, which has reached $1 billion [figure as published] in underdeveloped countries, has become the main topic of interest throughout the world. Of this huge foreign debt, $360 billion is Latin American. Venezuela owes a little more than 10 percent of this sum.

The precarious stability of international economics and finance is becoming worse. In view of the underdeveloped countries' inability to pay their foreign debt, the industrialized countries seek various formulas to collect their debts, through severe measures in the indebted countries' national programs and negotiations to defer payments on capital. Together with these formulas, they are conducting financial juggling to ensure the payments of interest and to avoid stoppage of payments, which would mean losses to the banks that made the loans.

Making great efforts, Latin American countries have adopted these measures for several years, with very disappointing results. [passage omitted]

The results have been: reduced production and income; reduced participation in international trade with the corresponding loss of foreign exchange; reduced income, mainly from oil; massive capital drain; reduced imports, including basic products; increased foreign debt; rampant unemployment; and idle machinery. Latin America cannot cope with this situation much longer.

Our guide for a new era on our continent should be a better form of life compatible with current technological advances and not based on unattainable goals of yesteryear. [passage omitted]

We should immediately strive for increased trade between Latin America and the industrialized countries.

If Latin America enjoyed a self-sustaining development, it would be possible to conduct viable refinancing agreements. We should also seek other solutions to be put into effect immediately to overcome backwardness: a) conversion of the foreign debt to capital; b) "institutionalized involuntary loans" by the creditor banks in view of the crisis and the need for fresh capital to aid recovering lost growth indexes; and c) acceptance by the creditor banks of payment of capital and part of the interest in local currency by countries with monetary stability.

This strategy, with the vote of confidence by the creditor banks, could mean the beginning of a new and more just international economic order. [passage omitted]

Let us demand sacrifices, beginning with ourselves, so that we can conduct a great national program to overcome backwardness, recover lost time, with a renewed confidence, which we should have never lost. It is then that democracy can be better served.

Otherwise, why make sacrifices?

Sincerely yours,

Leonardo Ferrer, president, Chamber of Deputies

SECRETARIAT CONFIRMS RECEIPT OF U.S. PROTEST NOTE

FL191138 Mexico City NOTIMEX in Spanish 0355 GMT 19 Aug 86

[Text] Mexico City, 18 Aug (NOTIMEX) -- The Foreign Secretariat has confirmed that the U.S. embassy in Mexico has delivered a diplomatic note in connection with the case of U.S. antinarcotics agent Victor Cortes, Jr.

The Secretariat added that the note was turned over to the attorney general's office for investigation. The U.S. diplomatic mission was informed of the action.

VISITING ROMANIAN AMBASSADOR ON DISARMAMENT

FL200142 Mexico City NOTIMEX in Spanish 2343 GMT 19 Aug 86

[Text] Mexico City, 19 Aug (NOTIMEX) -- The Romanian Ambassador to Mexico, Constantin Babalau, has noted the urgent need for undertaking a program of general disarmament which would include chemical and conventional weapons, troops and military expenditures. As he inaugurated Romania Week at the National Autonomous University of Mexico [UNAM] in commemoration of the 42d anniversary of the Romanian revolution, he said that responsibility for achieving an international treaty on space belongs to the United Nations. He said one of the main goals of Romania's foreign policy is directed at the struggle for the defense of peace and the right to life, which is the most important right. He added that his compatriots actively defend the program of nuclear disarmament and a ban on nuclear tests.

Finally, he said Romanian-Mexican relations, which were established 100 years ago, have been developing continuously. Proof of this is Roman Week, which has been held at the UNAM yearly in coordination with the Romanian-Mexican Friendship Association and the Romanian embassy.

BRIEFS

ANTINARCOTICS CAMPAIGN -- The Federal Judiciary Police have destroyed over 7 million marijuana plants that were growing in 120 hectares of land. The action is the result of the first days of "Operation Pacific Seven" that is taking place in Sonora, Sinaloa, Durango, and Chihuahua States. It was also reported that, so far this year, the campaign against narcotics trafficking has resulted in the destruction of over 10,000 marijuana plantations -- about 60 million plants -- the seizure of over 57 tons of marijuana ready for marketing; destruction of over 16,000 poppy plantations; the seizure of 4,800 kg of pure cocaine; and the arrests of over 5,000 alleged traffickers, all of which surpasses the achievements of the last 10 years. [Summary] [Mexico City XEW Television Network in Spanish 1300 GMT 19 Aug 86 PA]

NAVY BURNS CONFISCATED COCAINE -- In the presence of Attorney General Sergio Garcia Ramirez and Secretary of the Navy Admiral Miguel Angel Gomez Ortega, the Mexican Navy has burned 233 kg of cocaine in Colina. The drug was recently confiscated at Playa de Oro Airport in Manzanillo. It was being transported in a U.S.-licensed turbo plane. The two officials signed a document to certify that the drug was destroyed. [Summary] [Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 19 Aug 86 PA]

PALA DEMANDS COMPLIANCE WITH UNADE PACTS

PA191557 Panama City Circuito RPC Television Service in Spanish 2300 GMT 18 Aug 86

[Communique issued by the corregimiento representatives, councilmen, and mayors of the Panamanian Labor Party, PALA; place and date not given]

[Text] The corregimiento representatives, councilmen, and mayors of the PALA who met in a general assembly feel the need to make the following statement addressing the country and the parties within the National Democratic Union, [UNADE]:

1. During the 1984 elections, the political parties that supported a process of change in our country founded the coalition called UNADE which won the elections that brought the current government to power and which constitutes the support of the national government;

2. Included among the necessary and natural political agreements which the diverse executive committees of the PRD [Democratic Revolutionary Party], PALA, Republican Party, and Liberal Party made even before the 1984 electoral victory to create the UNADE and to conduct a coherent political action and maintain the effectiveness of government actions, it was agreed that the party that obtained the highest number of votes would appoint the president of the Legislative Assembly; the party that came in second would appoint the first vice president; and the other parties included in the UNADE would appoint the second vice president on a rotational basis;

3. Therefore, our party's legislative bloc is entitled to hold the first vice presidency of the legislative branch, a post which our legislators have occupied in an outstanding manner since 1984;

4. At all times, PALA has firmly and decisively been at the forefront of the nation's political developments, something which the UNADE has fully realized every time our participation has been needed, as we have completely fulfilled our duties in the government's actions;

5. Behaving irresponsibly, certain persons want to fulfill their personal ambitions by trying to take the first vice presidency of Legislative Assembly from the PALA, although they fully know that with this action they are playing into the hands of the opposition which is constantly trying to destroy unity within the UNADE;

6. In view of this attitude which is neither serious nor honorable but rather politically harmful on the part of people who allegedly want to maintain a political alliance with us, we urge our party's Executive Committee members to determine who our true allies are and who are those who make agreements and later try to cunningly betray them;

7. We inform the country and our UNADE brothers that we will fulfill our political commitments solely inasmuch as the other UNADE members respect them, and that if there is a political party that thinks that it can win the next elections by itself, we will surely accept the path its members choose.

8. We declare that if during the current legislative period there is an incident of betrayal, we will ask the PALA's organizations to provide the appropriate response;

9. We demand that President Eric Arturo Delvalle, as president of the UNADE and guarantor of the pacts which support the popular, democratic, and nationalist government he heads, preserve at all cost the unity and continuation of government actions for the sake of all Panamanians.

COSTA RICA

ARIAS COMMENTS ON HUMAN RIGHTS, ICJ SUIT

PA191555 San Jose Radio Reloj in Spanish 1200 GMT 19 Aug 86

[Excerpt] President Oscar Arias has said that the country is not part of the Central American conflict, although he admitted that the region's crisis forms part of our problems. The president said this yesterday when inaugurating the fourth course on human rights organized by the Inter-American Human Rights Institute. Arias told the participants, many of them Latin Americans, that Costa Rica practices neutrality because it believes in the rule of law and not force. President Arias said: We struggle for the political resolution of disagreements among nations. This is so, he added, because we act consistently with the pacifist tradition of our first president, who was a teacher and not a general.

In his speech, Arias referred to the suit filed by Nicaragua against Costa Rica at the International Court of Justice, stating that the country will go there to prove Costa Rica's innocence. According to Arias, Costa Rica has a firm duty to carry out a crusade for human rights. He added that Costa Rica has opted for integral peace, one of the most important pillars of which is human rights. President Arias commented: We are aware of the political responsibility we have in Central America, and we struggle for peace with the resources that we have for the promotion of human rights, legality, and civility.

We Costa Ricans are convinced that the path of integral peace will make us a world power in the area of human rights, President Arias said. He added: We still have some way to go to achieve this, even though we feel satisfied with the implementation of civil and political rights, although not with the economic, cultural, and social rights. He concluded by vowing to struggle so that disagreements will be resolved by reason and not by weapons. [passage omitted]

FDR'S VILLACORTA ON GOALS OF PREDIALOGUE MEETING

PA192355 Paris AFP in Spanish 2253 GMT 19 Aug 86

[Text] Mexico City, 19 Aug (AFP) -- Jorge Villacorta, the FDR delegate to the meeting with Salvadoran Government representatives, has told AFP that the meeting that representatives of the government and the Salvadoran guerrillas will begin in Mexico on 20 August will be "secret" and may last "1/2 hour, 1 day, or 1 week."

"All I can tell you is that it will not be held at our country's embassy" as originally proposed by the Napoleon Duarte administration, stressed Villacorta, an agronomist who was Salvadoran deputy minister of agriculture in 1979. He added: By agreement with the Mexican Government, "which will guarantee security, we will meet somewhere in Mexico at 0900 on Wednesday."

The leader, who was a member of the Christian Democratic Party until 1980 when he joined the FDR, noted that the preparation for the dialogue, which was suspended 2 years ago, "could possibly end on 26 August, but that is a tentative date."

The truth is that "we do not know when the meeting will end, because we do not know what proposals will be made or the negotiation capacity that the Salvadoran Government representatives have," emphasized Villacorta, who will attend the meeting with Salvador Samayoa, the FMLN delegate.

Once the meeting is over, he said, "we will try to reach an agreement with the other party as to how we will announce its results to the media."

According to reports from San Salvador, which were not confirmed by Villacorta, the two sides will negotiate an exchange of prisoners in Mexico, which would result in the release of Colonel Omar Napoleon Avalos, captured by the FMLN in 1985, and an undetermined number of union members and members of humanitarian organizations.

The FMLN-FDR, the FDR leader stressed, "will participate with a constructive attitude and with responsibility and awareness of the need to promote the right framework so that the third dialogue can be held in El Salvador at the highest level." One of the proposals to be made by the guerrilla representatives will be "to agree on a military truce" during the third dialogue, the leader noted.

In addition, he said: "We must leave Mexico with an agreement as to the place, date, security conditions, and guarantees for the participation of various national sectors" affected or involved in the Salvadoran conflict. According to Villacorta, it is essential that "at the third dialogue we reaffirm our commitment to achieve a political solution through concrete actions that give continuity to the talks."

Villacorta added that the goals the FMLN-FDR will seek at the meeting that will reportedly be held in El Salvador include "the humanization of the war" through agreements to improve the conditions of the affected civilian population and the people being held by both sides.

"We do not intend to obtain a magic solution; we all know that a single round of talks is not enough," he stressed. "But we are convinced," he concluded, "that if the two sides are capable of reaching an agreement on a continuing dialogue, then an overall solution can be found in the relatively near future."

Vice President and Foreign Minister Rodolfo Castillo, Culture and Communications Minister Adolfo Rey Prendes, and Ricardo Soriano, leader of the progovernment National Worker-Peasant Union, will attend the preparatory meeting on behalf of the Salvadoran Government.

Managua Airs FMLN-FDR Communique

PA200415 Managua Domestic Service in Spanish 0305 GMT 20 Aug 86

[Text] In a communique released here [not further identified], the FMLN-FDR has stated that it will go to Mexico with the spirit of creating the best framework for the third round of talks. Our delegates will participate at this preparatory meeting with a constructive spirit and with responsibility, the communique states. It adds that the FMLN-FDR will propose to the Salvadoran Government a military truce during the time that the official meeting is being held in San Salvador.

According to the communique, the FMLN-FDR believes it is necessary for the opposing sides to reaffirm their commitment to achieve a political solution to the war and undertake specific steps to give continuity to the talks. The fronts also state that the negotiated solution involves the entire Salvadoran society, that it is necessary to incorporate the various sectors in the efforts for peace and that this must begin with the presence of observers at the third round of talks.

Officials Arrive in Mexico

PA192134 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 19 Aug 86

[Report by Jorge Tenorio]

[Text] Adolfo Rey Prendes, culture and communications minister, and San Salvador Archbishop Arturo Rivera y Damas arrived in Mexico City today. They will meet with FMLN and FDR representatives to talk about the Salvadoran conflict. The two men arrived on a TACA international flight. They were escorted to two cars as soon as they arrived, so reporters could not approach them. Deputy Foreign Minister Ricardo Acevedo was on the same flight; he explained why the meeting is being held in Mexico:

[Begin recording] Mexico is known for its hospitality and desire to promote a climate of peace in Central America. Mexico is a member of the Contadora Group and represents an important element in the peacemaking efforts in the Central American area. [end recording]

The Salvadoran deputy foreign minister said that the meeting between his government's representatives and the armed movement is proof that the dialogue is the best way to achieve peace.

Talks Reportedly Begin 19 Aug

PA200424 Mexico City Red Nacional 13 Imevision Television in Spanish 0302 GMT 20 Aug 86

[Text] This afternoon in Mexico City talks began between the representatives of the Salvadoran rebels and the Salvadoran Government. The beginning of the talks, planned for tomorrow, was moved up. The meeting is not being held at the Salvadoran Embassy in Mexico but at a private place.

The Salvadoran Church, represented by Bishop Arturo Rivera y Damas, is also participating in the talks, in addition to the government and the rebels. The meeting is aimed at finding possible agreements to resolve the serious internal crisis which has afflicted El Salvador for years.

FMLN CLAIMS HELICOPTER 'NET' DESTROYED AIRCRAFT

PA190439 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 19 Aug 86

[Text] Attention, attention all our people. We will reveal how we downed a helicopter in Morazan Department on 16 August. Please pay much attention.

We will save headaches and more investigations by U.S. technicians, who on 18 August were carrying, suspended in midair, the wreckage of the downed helicopter which they were taking to investigate. We will let you know how our forces killed two pilots and other personnel in the downed aircraft. We will let you know how we downed this costly war weapon, this product of U.S. technology, with which they expected to halt the FMLN advance.

The UH-1H helicopter of the puppet Air Force which, together with another 24 helicopters, was taking part in this disastrous enemy operation in Morazan, was downed in the following manner: It was not downed with sophisticated antiaircraft weapons. It was not downed with our machineguns. It was not downed with our rifles. It was downed with a people's weapon. It was downed with a people's helicopter trap. Let us save [words indistinct] does not have to be spent thinking how we did it.

This helicopter of the Bustillos Air Force was downed Saturday in the northern zone of Morazan with a cable net placed between two high points. We repeat. We downed it with a net made with cables placed between two high points in these mountains of Morazan. This one and many other people's weapons have been placed all over Morazan Department by our forces. There is absolutely nothing that can overcome these people's weapons. They are simple weapons. Any Salvadoran can build them, and there is no power in the world that can fight against these mortal traps for enemy aviation.

On 16 August an enemy helicopter was downed in Morazan with a simple net of cables placed between two high points. These are weapons built by our people, with their ingenuity, with their creativity. It is the humiliation of a just cause imposed against the military power of foreigners who think they can dominate us.

Unlike the Somozists, the Salvadoran people do not need $100 million to destroy imperialist plans or down their war apparatus. The hands of peasants and workers, their infinite [word indistinct] capacity, [word indistinct] the fatherland. Their high conscience is sufficient to defeat Ronald Reagan's plans in El Salvador and three more like him. Celebrating this victory against [words indistinct], the imperialist war technology, we call on our fighters and all the people to continue applying with creativity all antiaircraft war tactics.

The same way we disarm and defeat them on land, we are defeating them in the air! Let the Salvadoran sky be for the birds! With people's arms, to convert each enemy helicopter in a [words indistinct].

VENCEREMOS LINKS BLANDON, PIA VESTA SHIPMENT

PA191738 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 19 Aug 86

[Text] General Adolfo Onecifero Blandon [chairman of the Joint Chiefs of Staff] took a chance, but his venture backfired. What Radio Venceremos said a few days ago regarding the drunkard Blandon's implication in the already famous case of the Danish ship Pia Vesta is coming to light. It is no secret for our people that these [word indistinct] personages of the High Command and other Christian Democratic leaders, with Duarte at the head, act in accordance with Washington's and the CIA's murkiest intentions. However, our people have yet to know how the CIA pulls the puppet's strings, how it carries out its covert plans and terrorist operations.

Finally the drunkard and ill-named Gen Blandon is showing his real self, involved in one of those mysterious and entangled operations typical of the CIA so that war materiel can reach the desperate Nicaraguan contras. The operation was a real maze: The ship was to sail from East Germany, pass through Panama, make a stop in Peru, return to Panama, and finally unload the shipment in El Salvador. There, supposedly with a masterly move by the now proficient Gen Blandon, the shipment would be sent to the contras in Honduras.

As we may recall, the Panamanian Government, in coordination with the Peruvian Government and Alan Garcia himself learned of the ship's suspicious movements and foiled the CIA plans. The vessel was seized in Panama on Panamanian General Manuel Noriega's orders, and the shipment was discovered. Blandon's colleague, trafficker David Duncan disclosed the plans in Miami, admitting that the shipment valued at $11 million was destined for the port fo Acajutla, where the cargo would be delivered by the Salvadoran High Command to their Somozist buddies, as part of Reagan's $100 million for the contras.

Panamanian security intercepted communications between the gangsters which revealed that the shipment had sailed with two bills of loading: an original dated 29 April, which showed El Salvador as the final destination, and a dummy dated 30 April, indicating consignment to the Peruvian Armed Forces, which was clearly aimed at involving the Peruvian Government in the transaction.

Our people are not really interested in the CIA's intrigues and trickery but find it interesting to learn that the drunkard, and imperialism's (?plan) have failed once again. What did these men expect? Do they believe we are still in the days when the Yankees could move freely throughout the continent and do whatever they pleased with impunity? Perhaps they believe we are still in the days of pirates and filibusters, forgetting that Augusto Cesar Sandino, the general of free men, eradicated them long ago. The CIA is very mistaken, and [words indistinct] Gen Blandon also. The time for Latin America's dignity has arrived. Now there are vigilant eyes everywhere, such as Alan Garcia's in Peru and Gen Noriega's in Panama, and these eyes are alert to ensure respect for the dignity of our seas and borders and for our sacred sovereignty. These eyes -- which multiply each day -- will detect the turncoats and disclose those who throw shame on Latin America: the Blandons, the Duartes, or the Azcona Hoyos.

Today, while imperialism and the High Command blunder about, our people and the Nicaraguan people firmly advance, defeating imperialism's plans.

Castillo Rejects Charges

PA192205 Panama City ACAN in Spanish 2059 GMT 19 Aug 86

[Text] San Salvador, 19 Aug (ACAN-EFE) -- The Salvadoran Government today denied that the arms shipment aboard the Pia Vesta was destined for El Salvador.

In remarks to a government radio station, Vice President and Foreign Minister Rodolfo Castillo Claramount asserted: "The legitimate Salvadoran Government does not have to resort to subterfuge or piracy, much less contraband of any sort."

The merchant ship Pia Vesta was detained in Panamanian waters with an illegal shipment of 32 IFA trucks and 3,000 light weapons, including AK-47 rifles and RPG-18 rocket launchers. All of these weapons are Soviet-designed and manufactured in the GDR.

Last weekend the progovernment Panamanian newspaper LA REPUBLICA reported that the shipment was destined for General Adolfo Blandon, chief of staff of the Salvadoran Army. Castillo Claramount bluntly stated: "Regarding this, there is no official involvement in this matter, just as there is no institutional, governmental, or military involvement."

He added: "The Salvadoran Government does not have to resort to contraband or shady dealings."

Gen Blandon flatly denied yesterday that the shipment was for him. He also said: "It would be illogical for Russian weapons to be destined for El Salvador, because we uphold democracy."

COLONEL SAYS REBEL EFFORTS IN WEST FAILURE

PA191952 Panama City ACAN in Spanish 1845 GMT 19 Aug 86

[By Ricardo Chacon]

[Excerpts] San Salvador, 19 Aug (ACAN-EFE) -- A high-ranking Salvadoran military chief said today that the guerrilla strategy of covering the country with small units has failed in the western region, the least strife-torn, because the population does not support the rebels.

Colonel Oscar Casanova Vejar, commander of the 2d Infantry headquartered in the western Santa Ana Department, told ACAN-EFE: "The guerrillas are losing the war and are experiencing a period of contraction, not expansion."

"The Salvadoran guerillas can say anything, they can say that they are everywhere in the national territory, but I can assure you that they have been unable to enter the west," the officer added. [passage omitted]

The highest ranking officer in the western region said: "For the past 2 years the guerrillas have tried to enter this region, but the people and the constant action of the military have prevented them from doing so."

"In this work," Col Casanova Vejar said, "the civilian population has played an essential role. we believe that without the support of the people we would have been unable to stop the guerrillas from spreading."

According to Casanova Vejar, there are currently 144 requests in the western region for joint projects between the Army and the civilian population. "In general, we are winning the war; the guerrillas are losing a lot of people; there are increasing desertions; and they have been unable to spread," Col Casanova Vajar noted emphatically. [passage omitted]

Col Casanova Vejar also expressed enthusiasm about the reactivation of the Central American Defense Council (Condeca), which was founded in the 1960's under the sponsorship of Nicaraguan dictator Anastasio Somoza as an attempt to fight communism.

"It is extremely interesting that the nations of the Central American isthmus are reactivating Condeca, and in this way they will be able to give a united reply to political and military problems." The officer stated that Nicaragua can also participate in the reactivation of Condeca, because "the day is not far when the Sandinists will have to get out of Nicaragua, and then we will be perfectly able to include that country."

GUATEMALA

GUATEMALA, UK RESUME CONSULAR RELATIONS

PA192222 Paris AFP in Spanish 2113 GMT 19 Aug 86

[Excerpt] Guatemala City, 19 Aug (AFP) -- The Governments of Guatemala and Great Britain resumed consular relations today following a 5-year break in relations caused by the territorial conflict over Belize. Guatemalans have yet to recognize Belize's independence.

The Foreign Ministry issued a communique this morning reporting the resumption of relations. It stressed that Guatemala hopes Great Britain "will help in the search for a negotiated solution" to the dispute over Belize. Guatemala broke all relations with the British in 1981 after Belize's independence was officially proclaimed without a settlement being reached with the Guatemalan Government, which has claimed that territory for the past century.

The new Guatemalan Constitution includes the possibility of a popular referendum, thus making the Guatemalan position more flexible in the face of possible negotiations on recognizing what would be the sixth nation in the Central American isthmus.

The Christian Democratic administration has shown a willingness to negotiate a "real but just solution" to this conflict. Diplomatic circles have interpreted this as a sign that the possibility of recognizing Belize exists, so as long as an agreement is reached first.

The text of the agreement marking the beginning of a new stage in the bilateral relations was published in London and Guatemala City.

Guatemala maintains that any negotiation should be through the British, while Belize and Great Britain believe this must take place directly between Belizeans and Guatemalans. [passage omitted]

BRIEFS

HEROIN, COCAINE SEIZED -- Police today confiscated heroin and cocaine worth $2 million and arrested presumed drug trafficker Melvin Roberto Vargas Gonzalez, a Guatemalan citizen. According to the official report, the drugs were brought from Colombia in a suitcase. Vargas Gonzalez crossed the Honduran border by land through Agua Caliente municipality, where he was arrested. [Excerpts] [Guatemala City Radio-Television Guatemala in Spanish 1740 GMT 19 Aug 86 PA]

NICARAGUA

RAMIREZ PRESENTS C.A. ECONOMIC COOPERATION PLAN

PA200022 Managua Radio Sandino in Spanish 1930 GMT 19 Aug 86

[Text] This morning Vice President Sergio Ramirez Mercado inaugurated the meeting of Central American foreign trade ministers and central bank presidents, who will discuss a way to speed up and revitalize the trade of the area countries.

At the inauguration of the event, which is being held at the Cesar Augusto Silva Convention Center, the vice president made a proposal to the other Central American representatives to speed up industrial and commercial development, as well as financing for the Central American Bank of Economic Integration [BCIE].

The seven points proposed by Ramirez included the joint negotiation of Central American export products to get better prices and a joint search for new markets, including those of socialist countries. Regarding this, Nicaragua offered its assistance because of its experience in dealing with these markets since the triumph of the revolution.

The Nicaraguan vice president highlighted the importance of the meeting and called it another mechanism in the search for peace in Central America. He also mentioned the Chicago proposal presented by Nicaraguan President Daniel Ortega during his recent visit to the United States.

[Begin Ramirez recording] To the Nicaraguan Government, peace is essential for development, just as certain contributions -- such as this meeting -- are beneficial for development and strengthen the idea that we must advance in our path to peace.

The Nicaraguan Government feels that very close and effective economic cooperation among the Central American countries more necessary than ever, regardless of how difficult the present circumstances are.

If our wish is to achieve peace and a lasting coexistence in the long term, then economic cooperation and the reactivation of regional integration can become a decisive factor in this struggle for peace.

Regarding this, my government proposes to the other Central American governments that you represent, the following plan that will put us in a position to increase our strength vis-a-vis international economic cooperation to find ways to make the crisis more bearable or to overcome it, because it is a crisis that is seriously affecting our countries. Nicaragua proposes:

1. That, in view of the upcoming meeting between the Central American countries and the EEC countries to be held in Guatemala in January at the foreign minister level, we should draft a Central American proposal for cooperation, perhaps for the medium and long terms. This proposal should include the financing of industrial production so it can operate at a maximum capacity and result in the resumption of trade among the countries of the region. This proposal should also include a technological updating of Central American industry, which should be financed in the same way. [sentence as heard]

2. That the Central American countries should prepare joint proposals for the financing of capital for the BCIE. These proposals should be made to EEC, the miltilateral credit organizations, and the bilateral credit organizations. In this way, the BCIE can meet the demand for credits to reactivate production and exports from the countries of the region to other markets. In this way, the BCIE can also help in the regional trade.

3. That, by common agreement, the Central American countries should present proposals for preferential treatment for the exportation of our products to markets whose access is barred to us. This effort must become a permanent political action promoted by all.

4. That when the time comes the Central American countries should present joint positions to negotiate the prices of our traditional exports -- such as the case of coffee at the International Coffee Organization -- as a way to defend our balance of payments and our exports in the face of the dangers affecting these prices which are on the verge of collapse.

5. That new markets for Central American products be jointly explored. Regarding this, Nicaragua can offer its experience with the new markets it has had access to since the revolutionary triumph. These markets include those of socialist countries.

6. That we carry out joint projects for the exploitation of our resources, especially the sea resources in border areas.

7. That we speed up the regional trade. For this, Nicaragua is willing to support the draft document on Central American import rights which will be discussed at this meeting.

To conclude, Messrs Ministers and Presidents, on behalf of my government I want to reiterate this fraternal and friendly greeting and welcome you to our fatherland and to wish you success in this meeting. Finally, I want to declare this work session opened. Thank you. [applause]

GOVERNMENT HOPES TO MEET CHURCH LEADERS SOON

PA200051 Managua EL NUEVO DIARIO in Spanish 19 Aug 86 p 8

[Text] Nicaraguan Vice President Sergio Ramirez Mercado said yesterday that a dialogue with the church hierarchy has been proposed and that the government is hoping this dialogue will be held as soon as possible.

Vice President Ramirez did not respond to a question on whether the issue of the return of Msgr Vega and Msgr Carballo to the country and the reopening of Radio Catolica will be on the agenda. According to Cardinal Obando y Bravo, these issues will be brought up by the hierarchy.

"The meeting must be prepared, and for this we have a permanent liaison committee between the church and the government. I do not know what issues will be included on the agenda," Ramirez said.

However, Ramirez said the church hierarchy is willing to attend the dialogue which has been proposed by the government. This meeting will be held after President Daniel Ortega returns to Nicaragua.

Vice President Ramirez visited the offices of the Labor Ministry yesterday to see the condition of these installations. The Labor Ministry is located in an old building that must be repaired. Ramirez reportedly met with the minister and other officials.

7 CIVILIANS KILLED IN REPORTED CONTRA AMBUSH

PA191424 Managua Radio Sandino in Spanish 1200 GMT 19 Aug 86

[Text] The $100 million that the U.S. Senate approved for the Reagan administration mercenaries claimed its first victims in Region 1 in the Las Segovia area. Seven people were killed and three wounded in the criminal ambush carried out yesterday by a group of counterrevolutionaries against a civilian vehicle taking food to the community of (Guanos), 7 km from San Juan del Rio Coco, Madriz Department.

According to reports by Esteli's Radio Liberacion, which cited military sources, the vehicle hit three mines placed by the terrorists in the place known as (El Guano) and after the explosions the mercenaries machine-gunned the occupants of the vehicle.

BOS DELEGATES BEGIN CONGRESS IN SAN JOSE

PA170253 Paris AFP in Spanish 2040 GMT 16 Aug 86

[Text] San Jose, 16 Aug (AFP) -- The Southern Opposition Bloc, BOS, an organization fighting the Sandinist government, initiated its first congress in this capital today to choose its leaders and outline proposals for a future government in Nicaragua.

A total of 74 delegates of the BOS groups -- the Movement for Recovery [Movimiento de Rescate], ARDE, Nicaraguan Professionals in Exile [Profesionales Nicaraguenses en El Exilio], and the Social Christian Movement in Exile [Movimiento Social Cristiano en El Exilio] -- 35 observers from non-BOS Nicaraguan opposition groups, and 15 guests are participating in the congress, being held in a San Jose hotel and will last until Monday.

BOS leader Alfredo Cesar said that a permanent 30-member assembly, a board of directors, a finance commission, a secretary general, and those in charge of BOS military operations, foreign policy, domestic policy, and propaganda will be elected.

Cesar said this will be the first time that the anti-Sandinist opposition has held a meeting of this kind with broad participation of and representation by the movement's bases.

He also said that after the meeting concludes on Monday, an important document will be released. The document will serve to introduce a plan for a government platform in Nicaragua. "This platform opposes the totalitarian alternative that the Sandinist regime offers at present."

Cesar reported that the special guests include the assistants to congressmen Edwards of the Republican Party and Skelton of the Democratic Party, as well as delegates of the Christian Democratic Organization of American, ODCA; the Democratic Action Party of Venezuela; the Confederation of Honduran Workers; and the National Liberation Party of Costa Rica.

The leaderdenied that military issues will be discussed during the meeting, since the anti-Sandinists will be receiving the $100 million aid that the U.S. Government approved.

It was mentioned that the BOS is slated to receive at least $5 million of this aid.

Cesar Predicts War Escalation

PA181244 Paris AFP in Spanish 1643 GMT 17 Aug 86

[Text] San Jose, 17 Aug (AFP) -- The BOS, which will get at least $5 million of the $100 million that the U.S. Government will give to the anti-Sandinist rebels, predicts an escalation of the war in Nicaragua's rural and urban areas in the coming 6 months.

BOS leader Alfredo Cesar told AFP that the movement's combatants -- he estimated them to be less than 1,000 -- are already committed to the struggle in Nicaragua's southern and Atlantic areas. He warned, however, that their actions will be stepped up when the U.S. aid arrives.

He thinks the last chance for a peaceful solution to the Nicaraguan conflict was lost when the Contadora document for peace failed to be signed on 6 June "due to the intransigency" of the Sandinist leaders.

According to Cesar -- president of the Movement for Recovery and National Conciliation, a BOS member organization -- the Sandinists "have not yielded to one single domestic or security point," despite the other Central American countries' repeated requests.

He said that this situation and the $100 million aid for the contras that the U.S. Senate ratified last week will lead to an escalation of war "that will likely reach the cities for the first time."

Thanks to a cooperation agreement with the Nicaraguan Opposition Unity, UNO, 2 months ago, the BOS succeeded in securing for itself at least $5 million of this aid.

The agreement was reached -- amid strong discrepancies, mainly because of the presence of well-known former Somozists in the FDN, a UNO member -- as a condition demanded by the United States to aid the anti-Sandinist rebels.

Cesar said that this coordination occurs in the political field -- for instance, the presence of top UNO leaders in the first BOS assembly held in San Jose this weekend -- and in the military field, where, he said, the militarymen of the two groups fight "together but not side-by-side."

He added that, in accordance with the aid plan approved by the U.S. Government, the BOS, formed by five organizations in exile, is scheduled to receive at least $5 million that will go directly to the BOS combatants.

He said that the leadership of these forces -- most of them formerly commanded by Eden Pastora, "Commander Cero," who withdrew from the struggle on 15 May -- has been entrusted to young cadres such as "Franklyn," Justiciero," and "el Duende," among others.

He explained that other well-known military leaders such as "Tito" Chamorro and "Popo" Chamorro, have abandoned the struggle, basically for reasons of health or age, and work in BOS as political leaders.

Cesar insisted that the BOS combatants are on Nicaraguan soil, because the organization abides by Costa Rican law and this country's neutrality. He said further: "There can be no war from San Jose, because this would be fatal for us. The BOS does not agree to lead the struggle from San Jose."

It was recalled that, during the government of former president Luis Alberto Monge, Costa Rica faced serious problems because of the presence in the country's north of combatants who even had camps in the country.

Cesar also feels that, at present, there is a favorable opportunity for the Nicaraguan opposition unified in the BOS.

He referred specifically to the recent Socialist International meeting in Peru, in which the BOS was accepted as an observer and support for the Sandinist revolution's initial project, which the Managua government has not yet fulfilled, was ratified.

Finally, he predicted an escalation of the struggle in Nicaragua in the coming 6 months and that, once this term ends, dialogue, proposals and counterproposals on the country's violent situation could be initiated.

Seeks No U.S. Intervention

PA190417 Paris AFP in Spanish 2205 GMT 18 Aug 86

[Text] San Jose, 18 Aug (AFP) -- The BOS, an organization that brings together Nicaraguan Social Democratic and Christian Democratic groups in exile, asked the United States today to rule out the possibility of a direct intervention in Nicaragua.

BOS President Alfredo Cesar said the fact that communism has been introduced in Nicaragua does not give western powers the right to intervene in Nicaragua.

"We welcome the aid foreign governments may give our cause, but we will never allow others to do things in Nicaragua for us," Cesar said during the closing session of the first BOS congress.

Cesar also said that the BOS will continue to support guerrilla groups that fight the Nicaraguan Government until the Sandinists fulfill their promises of political pluralism, nonalignment, and respect for a mixed economy system, such as the one which existed when they came to power in 1979.

The BOS ended its first regular congress today. In attendance were 70 delegates, as well as observers from other anti-Sandinist groups and several Latin American Social Democratic and Social Christian organizations.

The BOS Congress condemned press freedom violations and religious persecution in Nicaragua, and accused the FSLN of leading the country "to destruction."

U.S. REFUSES TO JOIN GORBACHEV'S MORATORIUM CALL

FL191441 Havana Radio Progreso Network in Spanish 1100 GMT 19 Aug 86

[Text] The U.S. Government has rejected Soviet leader Mikhail Gorbachev's call for declaring a nuclear test moratorium. Washington's spokesman Larry Speakes said a nuclear moratorium would not benefit the United States because these weapons need to be further developed. Speakes said nuclear tests guarantee the country's defense because they ensure continued improvements in war systems.

The U.S. reaction was made almost immediately after Soviet leader Mikhail Gorbachev announced in Moscow the extension until next 1 January of the unilateral moratorium adopted by the Soviet Union a year ago.

ORTEGA CITED ON 'VIETNAMIZATION' OF C.A.

PA191636 Havana International Service in Spanish 1600 GMT 19 Aug 86

[Text] The beginning of the U.S. aggression in Central America is similar to the U.S. intervention in Vietnam, said Nicaraguan President Daniel Ortega in Managua, responding to remarks by Costa Rican President Oscar Arias. The Costa Rican president recently said he does not believe in the possibility of a U.S. invasion of Nicaragua because he trusts that U.S. President Ronald Reagan will keep his word and not send Yankee soldiers to fight in Central America. Daniel Ortega indicated that if Reagan made this statement to President Arias, he has reason to believe him. Nevertheless, Ortega insisted that Central America is currently experiencing a U.S.-inspired process of Vietnamization. He recalled that the U.S. Congress has already approved sending military advisers to work with the Nicaraguan counterrevolutionaries, an action that directly involves U.S. personnel in the aggression against Nicaragua.

SOVIET SPECIALISTS ASSIST WITH EXPERIMENTS

FL191947 Havana Tele-Rebelde Network in Spanish 1100 GMT 19 Aug 86

[Text] A scientific experiment will begin this week in Camaguey's proving grounds aimed at testing the effectiveness of cloud-seeding measures to induce rain. The experiment is part of the research work of the joint Cuban-Soviet laboratory for the study of tropical meteorology and hurricanes. A laboratory IL-14 aircraft, an AN-26 airplane in charge of conducting the cloud-seeding operation, two radar systems, one air station, a pluviograph network, and over 100 Cuban and Soviet specialists will participate in the project.

ALEGRETT INAUGURATES SELA MEETING IN CARACAS

FL192112 Havana Radio Periodico del Aire in Spanish 1600 GMT 19 Aug 86

[Text] Caracas - SELA Permanent Secretary Sebastian Alegrett has called for the region to unite and defend its interests against the foreign debt problem aggravated by the avalanche of protectionism practiced by industrialized countries.

Alegrett inaugurated the first preparatory meeting of the 12th SELA Council at SELA headquarters in Caracas. The meeting is attended by 80 delegates from 25-member countries.

Pedro Morales Carballo, head of the Cuban delegation, said it is necessary to promote the participation of member-states by expanding relations among themselves.

'OUR AMERICA' COMMENTARY ON SALVADORAN DIALOGUE

PA190447 Havana International Service in Spanish 2300 GMT 18 Aug 86

["Our America" commentary]

[Text] With the sluggishness that has characterized every step of the third dialogue with the guerrilla forces, the Salvadoran regime has still not asked Mexico for permission to hold the preparatory meeting there. The meeting is scheduled for 20 August.

In view of the delay, it would not be surprising if the date of the meeting is changed. The purpose of the meeting is to discuss, among other issues, the rebels' demand to make public the subjects for talks, a demand that the Duarte government refuses to accept.

Nevertheless, the FMLN-FDR is maintaining the offer made last July to free Colonel Omar Napoleon Avalos, former Civil Aeronautics director, if the regime releases political prisoners.

Inasmuch as the moment of the talks is inevitably drawing closer for the regime, it is important to note that despite the increasing U.S. support, there is evidence the rebel forces' fighting capacity has not diminished. They have become more organized to the point of forcing the Armed Forces to depend increasingly on U.S. support to continue with the counterinsurgency campaign.

General John Galvin, U.S. Southern Command chief, said his country has spent $100 million annually in recent years to support the Salvadoran Army. Despite this, the Salvadoran regime is forced to use 40 percent of the nation's budget to finance the war, a situation that could cause financial collapse.

Duarte and other government officials admitted this was possible when they explained why the government was implementing the economic measures. This proved, among other things, that no matter how much help they receive from the United States, a significant percentage to finance the war must come from state funds.

The problem for the Salvadoran authorities is not an easy one to solve. If the war demands more money, which will require implementing unpopular measures, dissatisfaction among the people will increase, and the crisis will become more serious, until it becomes a cycle without solution.

At this point, the Salvadoran working class has realized what the continuation and financing of the conflict by the authorities would mean. During a meeting last July, the National Union of Salvadoran Workers proposed a series of measures for peace and reconstruction.

It is undeniable that in face of the current crisis, with the economy affected by an unjust war, the people's increasing disapproval, and other factors affecting its stability, the Jose Napoleon Duarte regime is being forced to hold a dialogue with the forces that have all the people's support.

MIRET CHAIRS PUNTA GORDA NICKEL PLANT MEETING

FL192316 Havana Radio Rebelde Network in Spanish 2300 GMT 19 Aug 86

[Text] Party politburo member Pedro Miret Prieto has chaired the meeting held today to assess progress made by the workers at the Punta Gorda nickel plant.

Miret, together with PCC central committee member and Basic Industry Minister Marcos Portal and other leaders, visited Caya Guam's chrome processing plant.

LAZO HEADS FMC MEETING IN SANTIAGO DE CUBA

FL192337 Havana Radio Rebelde Network in Spanish 2300 GMT 19 Aug 86

[Text] Esteban Lazo, member of the politburo and first party secretary in Santiago de Cuba Province, has presented the flag to the fourth congress contingent of the federation of Cuban Women [FMC] which, with a membership of 74,000 women in the province, will carry out all tasks assigned to it with volunteer work so Santiago de Cuba may host the 35th commemoration of the assault on the Moncada Barracks and the fourth party congress.

During the ceremony, the territory's FMC members delivered their work commitments through the year 1990 and hailed the municipalities which have fulfilled their goals during the first 6 months of the year.

A critical analysis of the difficulties facing women and their willingness to solve all problems was the highlight of the meeting, which was attended by provincial, municipal, and local FMC leaders.

CONSTRUCTION UNION DISCUSSES DEFICIENCIES

FL142346 Havana Radio Rebelde Network in Spanish 2300 GMT 14 Aug 86

[Text] Central Committee members Pedro Ross and Pedro Fernandez, secretary general of the Construction Labor Union, have presided over the opening session of the third plenum of the construction union's national committee which is being held in Santiago de Cuba.

Among the most important topics discussed today were labor and salary policies deficiencies and violations.

BRIEFS

SUSPENSION OF ARGENTINE CREDITS -- Havana (REUTER) -- According to statements made yesterday by diplomatic sources, the Central Bank of Argentina has suspended commercial credits to Cuba because of growing delays in Cuban payments of its commercial debts. Last year Argentina supplied Cuba with credit worth $2.6 billion. According to the sources, Argentina suspended its trade credits 3 weeks ago, halting a $120-million loan made in February for the construction of 2,000 Varadero beach hotel rooms. Other projects were also suspended. Cuban payments arrears began accumulating in early July after it formally suspended the interest and principal payments on its medium- and long-term debt. These payments were due 1 July and were suspended due to an acute shortage of foreign exchange. The government, however, has not formally acknowledged this suspension of remittance abroad. [Text] [Buenos Aires AMBITO FINANCIERO in Spanish 5 Aug 86 p 1 WA]

CARIBBEAN

BARBADOS

AUTHORITIES INCREASE FIGHT AGAINST DRUGS

FL191331 Bonaire Trans World Radio in English 1130 GMT 19 Aug 86

[Text] Barbadian authorities intend to increase security and seize property obtained from drug profits. Attorney General Maurice King told reporters Prime Minister Errol Barrow's government is committed to improving the Caribbean island's customs service and the police force to deal with drug smuggling in Barbados.

TRINIDAD-TOBAGO

CHAMBERS CALLS FOR PARTY TO OPEN NOMINATIONS

FL191239 Bonaire Trans World Radio in English 1130 GMT 19 Aug 86

[Text] Trinidadian Prime Minister George Chambers has given instructions to his ruling People's National Movement to open nominations for general elections. Mr Chambers gave his instructions Sunday night at a general council meeting at the party's headquarters.

General elections in the twin-island oil-rich Caribbean nation are constitutionally due this year or next. No election date has been announced, but it is thought Mr Chambers will call a November election next month.

DOMINICAN REPUBLIC

BALAGUER TO LAUNCH CONSTRUCTION PROGRAM

FL191249 Bonaire Trans World Radio in English 1130 GMT 19 Aug 86

[Text] Dominican President Joaquin Balaguer says he will launch a state-sponsored construction program to revitalize this Caribbean country's sagging economy. Mr Balaguer said in a statement that the construction program will be coupled with a program to eliminate what he called superfluous expenses and a strict policy of austerity.

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GOVERNMENT PROTESTS UK OVERFLYING IN S. ATLANTIC

PY202137 Buenos Aires TELAM in Spanish 2052 GMT 20 Aug 86

[Text] Buenos Aires, 20 Aug (TELAM) -- In a note sent to UN Secretary General Javier Perez de Cuellar, the Argentine Ministry of Foreign Relations and Worship has rejected the alleged British protection zone established in the Argentine sea.

The following is a text of the Argentine Foreign Ministry note:

Regarding the recent overflying of Argentine fishing ships by British Air Force planes, the Argentine Ministry of Foreign Relations and Worship hereby announces that it has sent a note to the UN secretary general in which it once again rejects the alleged British "protection zone," reports the above events, and lodges the appropriate protest.

FOREIGN MINISTRY CONSULTS BRAZIL ON NUCLEAR TESTS

PY201444 Buenos Aires TELAM in Spanish 2135 GMT 19 Aug 86

[Text] Buenos Aires, 19 Aug (TELAM) -- The Argentine Foreign Ministry has consulted with Brazil's Itamaraty Palace regarding the Serra Cachimbo military installations. The answer given by the Sarney government has been considered satisfactory because Serra Cachimbo is not a nuclear installation, it is a base for conventional missiles.

TELAM was told this by an Argentine Foreign Ministry source, who also stated that the base was established in 1979, when Ernesto Geisel was president. He served until March 1979, when Joao Figueiredo assumed power -- both presidents were members of the military. If, in 1986, Brazil does not have the knowledge to produce the atomic bomb or nuclear warheads, it surely would have been impossible for it to have done so in 1979.

Jose Goldemberg, rector of Sao Paulo University, today stated that any type of installation at Serra Cachimbo would be useless, because it will take Brazil years to obtain the complete cycle of nuclear fuel. He also stressed that Brazil possesses neither uranium nor plutonium because it is not interested in organizing a serious program for the development of atomic weapons.

In statements to a morning newspaper of this capital, Goldemberg said that Brazil did not accept the inclusion of a clause with Argentina for mutual inspection in the nuclear sector, a point that was presumably proposed by Argentina within the framework of the cooperation agreements that were signed with Brazil.

Regarding the Serra Cachimbo installations, the newspaper FOLHA DE SAO PAULO, citing a report by the ANSA agency datelined Sao Paulo, the Brazilian Presidency has decided not to comment further on the excavations located there or on the possibility of carrying out nuclear tests at that location.

The Italian agency also reports that Paulo Tarso Flecha, the secretary general of Itamaraty, has stressed that the mutual inspection of nuclear installations between his country and Argentina could be carried out through a process of reciprocal information along the path of ever-increasing bilateral cooperation.

MINISTER SAYS STATE OF SIEGE 'AT ANY MOMENT'

PY201615 Madrid EFE in Spanish 1554 GMT 20 Aug 86

[Text] La Paz, 20 Aug (EFE) -- President Victor Paz Estenssoro's Cabinet today began an emergency meeting to evaluate the atmosphere of social tension prevailing in Bolivia after a clash between demonstrators and policemen resulted in more than a dozen injuries and 53 arrests in Oruro.

Interior Minister Fernando Barthelemy stated today that the Cabinet will evaluate the prevailing "social agitation caused by political elements that clearly seek to create an atmosphere of subversive upheaval," adding "a state of siege might be invoked at any moment." The latest clashes took place yesterday during a demonstration staged by students, housewives, workers, and peasants against the government mining policy. The demonstration was organized by the Oruro Civic Committee, a nongovernment organization composed of all the representative sectors of this department, which have been on a general indefinite strike for 1 week.

Police sent from La Paz (239 km north of Oruro), stopped the demonstrators from reaching the main square of the town by using tear gas and birdshot, while the workers were hurling dynamite sticks. The clashes ended after 3 hours because of a snowstorm that began as night fell and continued into the early hours of this morning.

The departments of Oruro and Potosi have gone on strike against the government mining plan, which provides for closing down several state-run mines in keeping with IMF and World Bank instructions, according to the workers.

In addition to Oruro and Potosi Departments and the mining sector, the University of La Paz and the Bolivian Power Company are on strike. As a result of this, several sectors of La Paz -- including hospitals -- have experienced power cuts. The power company workers are demanding an improvement of their economic situation. According to Barthelemy, "subversion seeks to scuttle the economic policy in the first place, and overthrow the government in the second place."

Hernan Antelo, the spokesman of the executive branch, has stated that groups of the extreme left want to take advantage of the protests in Oruro and Potosi, and the strike which the Bolivian Labor Confederation (COB) has called for 21 and 22 August. The Labor ministry has declared the COB strike "illegal." The COB called a 48-hour strike to support the strike of Potosi and Oruro Departments and that of the mineworkers. The COB strike is also intended to repudiate the presence of U.S. troops in Bolivia (at the request of the government to help it fight drug trafficking) and the government economic policy.

Antelo said the Cabinet will approve a rehabilitation plan for the Mining Corporation of Bolivia (Comibol), which will be implemented in the next 48 hours. The objective of the plan will be to prevent the closing of the mines.

Paz Estenssoro decided to close down some unprofitable mining enterprises of the Comibol in August 1985, when he announced his economic plan at the beginning of his term.

In view of the COB's initial protests against the plan in September 1985, the government imposed a state of siege which lasted 3 months.

Arrests, 'Repression' in Oruro

PY201912 La Paz Radio Fides Network in Spanish 1641 GMT 20 Aug 86

[Text] In Bolivia's folklore capital, the city of Oruro, reports of arrests and intimidation, especially against leftwing party militants, are being made continuously. According to the Center of Law School University Students, these arrests and intimidation began with the arrival of policemen and Interior Ministry agents from the city of La Paz.

We will now contact Oruro. Good afternoon, Romulo Quintana from Radio Universidad. Go ahead.

[Begin Quintana relay] Good afternoon, dear listeners of Radio Fides network.

Oruro is united and strong. The Oruro people are united and are strongly demanding their rights. All the labor union and civic organizations in our department have halted their activities. Only the Oruro prefecture and the police are working to repress the Oruro people.

There are no train services at all. There are no buses on the streets. The markets are closed and the factories halted. On orders from union leaders, the Oruro banks are closed, in observance of the Oruro people's strike.

Activity at the Vinto [smelting plant] is reduced to emergency services. I am quoting information from the National Smelting Enterprise [ENAF]. Roads to La Paz and Potosi are blocked by mineworkers and peasants. University students have mobilized to guarantee the effectiveness of the civic-labor stoppage being staged by the Oruro people.

This is the 6th consecutive day of the strike in Oruro, despite the intimidation and repression of the official organizations. This is what is happening in our department and the strike, I repeat, the strike ordered by the Oruro Labor Federation and the Oruro Civic Committee is being strictly observed.

That is all for now and we will give you more news later. Go ahead. Thank you, very much. [end relay]

Thank you.

INTERIOR MINISTER DENOUNCES STRIKE PROMOTERS

PY210215 La Paz La Red Panamericana in Spanish 0000 GMT 21 Aug 86

[Text] Interior Minister Fernando Barthelemy has stated he will request the prosecution of those responsible for the power cuts that endangered the lives of hospitalized persons. He said there is a plan preconceived by the Bolivian Labor Confederation [COB] that allows employees of the Bolivian Electric Power Company [COBEE] to use this form of pressure to achieve increases in salaries.

The COB officials have adopted an irresponsible position, amounting to blackmail, and endangering the lives of many persons, the interior minister stated. Clearly annoyed, Barthelemy accused the members of the Patriotic Convergence Faction [Convergencia Patriotica] and the Board for the Defense of the National Sovereignty of causing the social unrest prevailing in the country. The minister added that it should be understood once and for all that stoppages and other coercive measures will not solve our national problems.

Minister Barthelemy stated that the government will maintain order in compliance with the national Constitution and the law, because we cannot continue within the framework of anarchy, while the country needs solutions to its serious problems. He concluded by urging all Bolivians to work constructively saying that this is what the country needs to promote the improvement of the country's economic situation.

In a statement released by Ambassador Pablo Valdes, the Foreign Ministry's spokesman, the Foreign Ministry acknowledges that on 19 August Spanish Ambassador Miguel Solano Aza expressed his concern to Foreign Minister Jaime del Valle about the information regarding the spying, which was denounced in Madrid by the Spanish Foreign Ministry. Following is the statement that Ambassador Pablo Valdes read to the press:

[Begin recording] [Valdes] During the late afternoon of 19 August, the Spanish ambassador met with Foreign Minister Jaime del Valle and expressed his concern about the information received from Madrid indicating that Chilean intelligence services are apparently spying on the Spanish Embassy. This information has been provided by two Chileans, who have presumably exiled themselves voluntarily. The ambassador has requested that the pertinent investigation be carried out. In accordance with this request the Foreign Ministry will make the appropriate inquiries. [end recording]

[Contreras] For his part, Spanish Ambassador Miguel Solano Aza has admitted that on 19 August he expressed his concern to Foreign Minister Jaime del Valle about the information pertaining to the Chilean espionage, whose perpetrators -- as has been mentioned -- have presumably released the details of the spying and are now out of the country.

Jose Francisco Contreras has reported from the Foreign Ministry. [end relay]

Del Valle 'Expressed Surprise'

PY201233 Madrid EFE in Spanish 1033 GMT 20 Aug 86

[Excerpt] Madrid, 20 Aug (EFE) -- A spokesman for the Spanish Foreign Ministry told EFE today that the Chilean Government has promised to investigate the alleged espionage activities carried out at the Spanish Embassy in Madrid and to "provide an explanation" of this event.

During a meeting last night, Chilean Foreign Minister Jaime del Valle promised the Spanish ambassador in Santiago, Miguel Solana, he would investigate the affair.

According to the Spanish Foreign Ministry spokesman, the Chilean foreign minister "expressed surprise" over the affair, of which he said he "was not aware." He "promised" the alleged espionage will be investigated, and the results will be relayed to the Spanish Government. Another Spanish Foreign Ministry source indicated that "the appropriate information is being awaited from Chilean authorities" and no decision will be made until the results of the investigation are known. [passage omitted]

CHILEAN, SOVIET SHIPS USING 'FORGED LICENSES'

PY202035 Santiago Domestic Service in Spanish 1700 GMT 20 Aug 86

[Text] Authorities from the Northern Naval District, based in Iquique, have requested that the 4th Iquique District Court investigate the issuance of forged fishing vessel licenses. The court has evidence that 10 ships are operating with forged licenses.

Details of these charges -- which may involve Chilean fishing ships operating together with Soviet ships, which are involved in the trafficking of arms to Chile -- is provided by Radio Nacional from Iquique:

[Begin relay] Authorities of the Northern Naval District and of the Iquique Naval Office have submitted a series of charges to the 4th District Court concerning the discovery of falsified fishing vessel licenses. This is particularly important since it may be connected with the activities of some fishing boats involved in the trafficking of Soviet arms.

Although there is complete secrecy, it is believed that more than 10 ships are now operating with forged licenses along the Chilean coast.

The serious charges raised before the local court will mean an investigation will be undertaken at the national level in all ports, particularly since Soviet ships are operating along the vast Chilean sea coast a little beyond the 200-mile limit.

Up to now the Northern Naval District and the Iquique Naval District offices have been silent on this issue, but the news has created great interest. [end relay]

FPMR ISSUES COMMUNIQUES ON KIDNAPPED COLONEL

PY201254 Madrid EFE in Spanish 0351 GMT 20 Aug 86

[By Juan Jorge Faundes]

[Excerpt] Santiago, 18 Aug (EFE) -- The Manuel Rodriguez Patriotic Front (FPMR) armed group tonight warned that the life of kidnapped Army Colonel Mario Haberle Rivadeneira is at stake "if the regime continues its repressive maneuvers." The FPMR issued this warning in a communique in which it also claimed credit for the kidnapping on 18 August. The FPMR also confirmed it was "holding" the colonel and issued another communique addressed to the Chilean Armed Forces.

The FPMR -- a Marxist group that has been operating in Chile for 2 and 1/2 years -- delivered the communique along with the identity card of the colonel and a photograph. To make this delivery, the front's self-styled spokesman telephoned EFE and two other international news agencies and instructed them to go to a place in Santiago's Las Condes neighborhood. The photograph shows the officer sitting -- apparently calmly -- at his place of detention. He is dressed in his military uniform, and a hooded person armed with a submachinegun is standing by him. The FPMR flag and the Chilean national flag are displayed behind them.

In the first communique, the kidnappers state they "have been forced to hold" the high-ranking officer, who is chief of protocol at the Santiago Military Garrison, "in order to make sure that we will be heard." The armed group adds: "We want to warn all Chileans about Pinochet's desperate maneuvers to remain in power forever, for which he will not hesitate to unleash another bloodbath in our fatherland." The communique also said: "The colonel's detention is a reaction to these maneuvers and a warning."

FRG MINISTER COMMENTS ON NUCLEAR AGREEMENT

PY201730 Rio de Janeiro O GLOBO in Portuguese 19 Aug 86 p 18

[Text] The FRG Government does not intend to renegotiate with the Brazilian Government the basic Nuclear Agreement signed between the two countries in 1975 in view of Brazil's decision to reduce its rate of development by postponing several projects. It will complete only the Angra II and Angra II nuclear power plants.

This intention will be restated today by FRG Research and Technology Minister Heinz Riesenhuber during a meeting with President Jose Sarney and Science and Technology Minister Renato Archer. Riesenhuber yesterday explained in Rio de Janeiro that he also does not believe that Brazil is interested in renegotiating the agreement between the governments since the necessary adjustments will be made only by the enterprises involved (KWU and Nuclebras).

The main goal of the FRG minister's visit to Brazil is to hold discussions with Brazilian authorities in order to identify projects aimed at expanding technological cooperation. As an example, he cited the health, environmental, biotechnology, and electronic research fields.

Riesenhuber denied reports that the FRG will not enter into an agreement with Brazil similar to the one signed in 1975. He made it clear that there has been a misinterpretation and that the fact that a decision has now been made to build only two reactors and not eight does not change in the least the broad cooperation agreement between Brazil and the FRG.

NUCLEAR INSPECTION CLAUSE WITH ARGENTINA REJECTED

PY201448 Madrid EFE in Spanish 1517 GMT 19 Aug 86

[Text] Buenos Aires, 19 Aug (EFE) -- Brazil has rejected a clause of mutual inspection with Argentina in the area of nuclear energy. The clause was to be included in the integration agreement between the two countries, signed by Presidents Jose Sarney and Raul Alfonsin two weeks ago.

The daily TIEMPO ARGENTINO today published exclusive remarks by Jose Goldemberg, rector of the University of Sao Paulo, who said that it is not in Brazil's interest to accept such inspections, even though it does not intend to produce nuclear arms.

On the other hand, sources from the Argentine nuclear sector today said that they are "in direct communication with the people in Brazil" about the facilities in Serra do Cachimbo which, according to the Brazilian press, are capable of testing nuclear arms.

The Argentine position favors signing an agreement of mutual inspection to prevent either of the two countries from using nuclear energy for military purposes, but without the obligation to disclose industrial secrets. Argentina possesses an advanced nuclear industrial technology. The country's products range from natural uranium to the heavy water needed to cool its three nuclear reactors now in operation. Argentina also manufactures Zircaloy tubes, needed to place the enriched uranium inside the reactor.

CNI DESERTERS REPORT ON SPYING ACTIVITIES

PY201208 Paris AFP in Spanish 1008 GMT 20 Aug 86

[Text] Madrid, 20 Aug (AFP) -- Official Spanish sources reported here today that Chilean secret services have been spying on the Spanish Embassy in Santiago for at least 2 months, making a special effort to intercept coded messages. According to the information disclosed today, the espionage operation was also against the embassies of the United States, Italy, the Netherlands, Venezuela, and Uruguay.

A high-ranking official of the Spanish Foreign Ministry reported that Spain's Government had been aware of what was going on for 1 month. He added that no significant document having to do with Spanish security was intercepted.

Two Chilean military men who were working for the CNI (National Intelligence Center) revealed -- before deserting and fleeing the country -- that most of the documents intercepted by the CNI were obtained in pieces from the wastepaper basket of the Spanish Embassy and then patiently put together. The two deserters are Patricio Geldres, 33, and Victor Enrique, 31, who reported -- according to the morning daily EL PAIS -- CNI's interest in the wastepaper baskets of the five [as received] diplomatic missions. Geldres and Enrique stated the CNI had the necessary means to piece together the documents, which had been put through special machines to destroy them.

The Chilean intelligence agency had also managed to decode some of the messages the Spanish Embassy in Santiago exchanged with the government in Madrid, the informers said. Among the documents mentioned by Geldres and Enrique are 11 letters that the Spanish ambassador in Santiago, Miguel Solano Aza, sent to Spanish Foreign Minister Francisco Fernandez Ordonez. These letters have been fully decoded by the CNI.

Because of the disclosures the Spanish Foreign Ministry summoned the head of the Chilean diplomatic mission in Madrid late last night (2200). The results of the meeting are not yet known.

Foreign Ministry To Inquire

PY202202 Santiago Radio Chilena in Spanish 1700 GMT 20 Aug 86

[Text] Here in Santiago, our country's Foreign Ministry has neither confirmed nor denied the reports published by the Spanish press. The Foreign Ministry limited itself to stating that yes, on 19 August the Spanish ambassador in Santiago, Miguel Solano Aza, had submitted all the pertinent information to the Foreign Ministry.

We are now in contact with the Foreign Ministry, and reporter Jose Francisco Contreras will give us more information regarding this incident:

[Begin relay] [Contreras] Good afternoon. The Foreign Ministry has mentioned the possiblity that the two persons who supplied the information regarding Chile's spying on the Spanish Embassy in Santiago may now have left the country.

The FPMR went on to call upon the Armed Forces to "stop supporting Pinochet" and the High Command and urged them "not to get involved in the crimes against our people." It concluded by saying: "An immediate return to democracy is the best thing for the fatherland." The same position is reiterated in a more detailed manner in the second communique addressed to the members of the Armed Forces. This communique also announced that a new message will be forthcoming to the news media.

The delivery of the FPMR communiques took place amid intensive search and rescue operations that police and security forces are carrying out in Santiago. [passage omitted]

Government Bans Media Reports

PA210353 Paris AFP in Spanish 0236 GMT 21 Aug 86

[Text] Santiago, 20 Aug (AFP) -- Effective tonight, the Chilean military government banned the dissemination of reports on the kidnapping of Army Colonel Mario Haberle Rivadeneira. The clandestine and leftist FPMR claimed responsibility Tuesday for the kidnapping.

The National Division of Social Communication (Dinacos) stated: "The freedom of information and opinion is restricted in regard to the kidnapping." It warned: "The media must abstain from disseminating in any way and through any means, reports or opinions regarding this action, except for those officially issued by the government. All this is done so as not to obstruct the investigations that are underway."

The FPMR National Directorate claimed responsibility for the kidnapping, noting that it was forced to keep the colonel "so that we will be heard;" it distributed a photograph showing the military officer with his glasses on and wearing his uniform. He was sitting in front of a large FPMR flag with an armed rebel behind him.

An 8,000-man contingent of policemen and security agents have increased their operations in Santiago to find Col Haberle, who was kidnapped Monday morning.

Raids Fail To Locate Colonel

PY210052 Paris AFP in Spanish 0008 GMT 21 Aug 86

[Text] Santiago, 20 Aug (AFP) -- Military patrols have raided many areas in Santiago as the deadline established for the release of Army Colonel Mario Haberle by his abductors passed tonight. A communique released by the leftist FPMR had announced that it would release its hostage today, at 1800.

Shortly before that time, Army personnel raided several residences in the eastern sector of the city, where Col Haberle was kidnapped on 18 August by an armed FPMR commando, according to residents of the La Reina, Penalolen, and Las Condes districts. In one raid, the soldiers entered the Catholic school Hermanos de la Salle, but no arrests have been reported.

CNG GROUPS MEET WITH GOVERNMENT, STATE POSITION

PA201546 Bogota EL TIEMPO in Spanish 16 Aug 86 p 6-B

[Text] Medellin -- Six [figure as published] guerrilla groups linked to the National Guerrilla Coordinating Board [CNG] stated their position to the Colombian Government during a summit meeting held in Anori Municipality, located 175 km northeast of Antioquia.

According to a report by CARACOL [radio station], which had one of its reporters kidnapped by the guerrillas, the CNG agreed to stop perpetrating crimes like blackmail, threatening calls, and extortion. It warned that it will continue kidnapping to finance the organization.

CARACOL reported that attending the meeting were M-19 leaders Rosemberg Pabon, Oti Patino, Vera Grave, and Afranio Parra; ELN [National Liberation Party] leaders Father Manuel Perez and Nicolas Rodriguez; EPL [Popular Liberation Army] leaders Ernesto Rojas and Diego Ramirez; PRT [Revolutionary Workers Party] leaders Sergio Sierra, and Ignacio Arbelaez, and MIR [not further identified] leaders Gabriel Borja and Pablo Tejada.

The CNG admitted making threatening calls, extorting, and blackmailing people in the past and also warned that it will punish persons who perpetrate those crimes passing themselves off as guerrillas.

They also stated they have not declared war on the government because they feel that the country has been at war for many years. However, they will join the opposition.

JUDGE WHO RELEASED OCHOA UNDER INVESTIGATION

PA201944 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 20 Aug 86

[Report by Rodrigo Barrera]

[Text] Bogota -- Fabio Pastrana Hoyos, customs judge in Cartagena, was already under investigation for possible irregularities in his public functions before he ordered the release on bail of horsebreeder [caballista] Jorge Luis Ochoa Vasquez -- negligence, and bad reputation.

Judge Pastrana Hoyos now faces possible prosecution for the crime of collusion if he was bribed to rule in favor of Ochoa Vasquez or if he acted against the law, knowing that the Justice Ministry has issued an arrest warrant against the accused for extradition purposes.

Judge Pastrana Hoyos also faces disciplinary action for conduct that goes against the honest administration of justice. His actions are being investigated by Cartagena Regional Prosecutor Elsa Saavedra and special investigator Carlos Antonio [name indistinct] Aguirre, who was directly appointed by Attorney General Carlos Jimenez Gomez.

PRESIDENT DENIES TIME ITEM ON U.S. ANTIDRUG HELP

PA171646 Paris AFP in Spanish 1503 GMT 17 Aug 86

[Text] Quito, 17 Aug (AFP) -- Ecuadoran President Leon Febres Cordera, in Guayaquil for the weekend, has denied a report in TIME magazine's latest issue claiming that his government has asked the United States for troops to fight drug trafficking. The U.S. Embassy in Quito also denied this. "In Ecuador, terrorism and drug trafficking are fought with Ecuadoran resources and the legal instruments created to protect Ecuadoran society," the president said. The U.S. mission in Quito reacted to TIME's report by saying that "there has been no such request" and that Ecuador is doing a magnificent job regarding the fight against drug trafficking.

A communique issued by the embassy states that the United States is helping Ecuador technically and financially, but that it believes that military assistance is neither necessary nor appropriate." U.S. military personnel participated in antinarcotics operations in Bolivia, prompting protests from various sectors there.

CENTRAL BANK MODIFIES CERTAIN EXCHANGE RATES

PA201809 Quito Voz de los Andes in Spanish 1130 GMT 20 Aug 86

[Text] In a move that took importers by surprise, the Central Bank yesterday modified the exchange rate in the controlled market, increasing it from 110 sucres to 165.50 sucres per dollar, a 50-percent devaluation. Petroleum exports, public sector imports, and payments on the foreign debt are handled through this controlled market, as established last week by the Monetary Board which removed the foreign currency for all the other exports and imports from control. Yesterday's decision means the public sector will receive 55 additional sucres for each dollar of exported petroleum but will also have to deposit 55 additional sucres for each dollar to meet foreign obligations and to pay for public imports. The measure also affects the imports conducted before 11 August whose imports permits were still being processed and which had yet to pay the insurance on exchange risks. The refunds for this were paid yesterday at 165.50 sucres. This devaluation also increases the losses of the Central Bank because of the sucretization [sucretization] of the private sector's foreign debt. Central Bank authorities gave neither a verbal nor written explanation of this measure. Meanwhile, in other areas of the public sector, such as the Industries Ministry, the measure was received with surprise.

3 POLICEMEN DIE IN CLASH WITH GUERRILLAS

PA200423 Quito Radio Quito in Spanish 2306 GMT 19 Aug 86

[Excerpt] Three policemen died today as a result of a clash between Ecuadoran police and several members of the Alfaro Lives guerrilla group. The group violently tried to rescue an Alfaro Lives member who was hospitalized in the Eugenio Espejo Hospital. The rebels broke into the hospital and immediately took away their comrade, Carlos Vera. Several police detachments arrived shortly to confirm [words indistinct] and began the investigations. [passage omitted]

TWO ALLEGED GUERRILLAS LEAVE AUSTRIAN EMBASSY

PA202301 Paris AFP in Spanish 0346 GMT 20 Aug 86

[Text] Bogota, 19 Aug (AFP) -- The two alleged Colombian guerrillas who requested political asylum today at the Austrian Embassy in Colombia have left the embassy. They were protected by both the National Commission for Human Rights and the Colombian police.

According to Ambassador Arthur Schuschnigg, embassy officials told Carlos Jimenez Millan and his pregnant wife, Luz Amparo Tamayo, that the Austrian Government grants political asylum only to people who are already in Austria.

Schuschnigg added that in view of that fact, Jimenez and his wife decided to surrender to the Colombian authroities in the presence of a member of the human rights commission.

The Austrian Embassy contacted former Colombian foreign minister Alfredo Vasquez, who is also the president of the aforementioned commission; Vasquez went to the embassy accompanied by lawyer Eduardo Umana.

A high-ranking official of the Colombian police told Schuschnigg that no arrest order for Jimenez and his wife exists. With the Austrian ambassador and other Austrian diplomats as witnesses, the official repeated this information to the two asylum applicants, who left the embassy 10 hours after their arrival.

According to several press reports obtained at the embassy, Jimenez said he was being persecuted for not having any identification documents, and thus being confused with an M-19 member who had pariticpated in the kidnapping of Absalon Cuadros, a doctor and cattleman killed along with three of his kidnappers during a rescue operation carried out in Cali, in the southwestern part of Colombia, last week.

BRIEFS

COCAINE TRAFFICKERS ARRESTED -- Notified by its Peruvian counterpart, the Colombian police captured seven cocaine traffickers in the border region of the Amazon river. A U.S. Government-sponsored operation began in Peru 11 days ago against the production of cocaine in the Amazon jungle. [Text] [Bogota Television Service in Spanish 0000 GMT 20 Aug 86 PA]

OFFICIALS REVIEW LATIN AMERICAN ECONOMIC FUND

PY201537 Paris AFP in Spanish 0017 GMT 20 Aug 86

[Text] Lima, 10 Aug (AFP) -- The idea of establishing a Latin American monetary fund in response to the IMF's attitude to ban credits to Peru was reviewed here today during a meeting held by the Peruvian Government authorities and the Andean Group.

Pedro Luis Echeverria, coordinator of the Cartagena Agreement Board, noted that this idea, which has already been proposed by Peruvian President Alan Garcia, might be brought up again at the next meeting of the SELA board, which will be held in Lima in October.

He said that the solidarity of member countries of the Andean Group and of Latin American countries with Peru must be expressed now in order to counteract the IMF's attitude which seeks to isolate Peru financially in view of the courageous attitude that the Peruvian Government has adopted regarding payment of the foreign debt.

Echeverria said that Andean Group countries (Bolivia, Colombia, Ecuador, Peru, and Venezuela) are aware that the foreign debt problem is mainly a political problem that must be resolved in keeping with three basic criteria: to pay the foreign debt with what is left over after fulfilling those economic development and investment goals that have been established by the government; to extend the terms of payment; and to decrease interest rates.

He stated that in addition to the solidarity of the Andean Group, Peru also needs credit lines from Latin American central banks which to some extent will replace those that have been denied to Peru. He added that the Andean Reserve Fund (FAR), which is mentioned as the possible foundation of the Latin American monetary fund, has already aided the Peruvian balance of payments with better terms than those offered by the IMF. Echeverria said that the FAR has granted Peru a $100-million credit while the Andean Development Corporation (CAF) this year will disburse another $100-million credit. Echeverria stated that it is senseless to have integration only in times of an economic boom. If one of the member countries is experiencing a crisis, the Andean integration is willing to offer its cooperation.

Echeverria made these comments after signing an agreement with the Peruvian Government for the establishment of industrial coordination centers to increase the participation of Peruvian manufacturers that are suppliers to the government which this year will purchase a total of $1.6 billion.

DELEGATION TO NONALIGNED MEETING DESIGNATED

PY201330 Lima Radioprogramas del Peru in Spanish 0000 GMT 20 Aug 86

[Text] Foreign Minister Alan Wagner will head the Peruvian ministerial delegation attending the Eighth presidential meeting of the Nonaligned Movement in Zimbabwe. A decree published in the OFFICIAL GAZETTE states the delegation will include: Carlos Alzamora Traverso, Jorge del Campo Vidal, and Osvaldo de Rivero Barreto. The meeting will be held between 26 August and 6 September.

BRAZILIAN-URUGUAYAN JOINT DECLARATION

PY210125 Montevideo EL DIA in Spanish 14 Aug 86 p 6

[Text of Brazilian-Uruguayan joint declaration signed in Brasilia on 13 August by Brazilian President Jose Sarney and Uruguayan President Julio Maria Sanguinetti]

[Text] As a result of the conversations between Uruguayan President Julio Maria Sanguinetti and Brazilian President Jose Sarney from 11 to 13 August, during the official visit of the Uruguayan President to Brasilia, the two presidents stated:

They have agreed to continue striving to make more dynamic the traditional ties of friendship, understanding and cooperation that united the Uruguayan and Brazilian peoples.

They have expressed their conviction that the strengthening of democracy is fundamental to achieving a strengthening of bilateral relations, as well as to achieve Latin American solidarity.

They have recognized that the present challenges at the international level may be better confronted through a better integration of Latin American countries to achieve a full social and economic development.

The presidents signed the following declaration:

1. They express their particular satisfaction over the gradual strengthening of the democratic process in Latin America in keeping with their aspirations to achieve development and a better coexistence among the countries in the region.

2. They view with great satisfaction the results of what was agreed upon in Montevideo in August 1985 through the establishment of the first meeting of the General Coordinating Commission and through the meeting of other subcommissions within the framework of the Friendship, Cooperation and Commerce Treaty and other important bilateral juridical agreements.

3. They recognize the advantages of the traditional cooperation in the Laguna Merin Basin and of its expansion within the framework of the Laguna Merin Treaty, the Yaguaron protocol and the works of the Laguna Merin Commission. They express their willingness to implement this protocol and to proceed with the scheduled works. They announced today's signing of a second memorandum of understanding regarding the cooperation treaty for the exploitation of natural resources and the development of the Laguna Merin Basin (the Laguna Merin Treaty), and the protocol for the exploitation of water resources of the areas bordering the Yaguaron River (the Yaguaron River Protocol).

4. They agree on the intention to make more dynamic the border areas of the two countries, especially involving the work assigned to the subcommission for the joint development of border areas, the meetings of which reflect the special interest the two parties share in this regard.

Perez was not at all discouraged by the observation that the countries that support Contadora, such as Mexico and Venezuela, are bankrupt and cannot curb the United States: "You must not abandon realism but, as you Spaniards say, at least we are still entitled to be masters of our own poverty. I believe that Venezuela and Mexico, despite their temporary economic difficulties, have an obligation to continue their action in the search for peace in Central America and for democracy."

"The Central American problem is not confined to Central America, to the isthmus," Andres Perez said: "The war that threatens us would inevitably lead to U.S. intervention. Such an intervention would cause an outright explosion throughout Latin America, creating conditions that could even reverse all we have achieved in this democratization process, which has shined so brightly."

The Venezuelan politician believes that one of the strategic objectives of U.S. policy is to destabilize Nicaragua by means of low intensity warfare. "The United States," he said, "tries to justify it by saying that only by causing a sufficiently profound destabilization of the Sandinist regime can it be induced to negotiate, but this is a false argument. It is a hypocritical argument. They know -- and it has been shown -- that this situation is radicalizing Sandinism even more and could cause it to step up armed action to settle the Central American situation once and for all. Within this radicalization and guerrilla religion a guerrilla-type militarism is unfortunately emerging, and this guerrilla-type militarism is not afraid of war and often seems to care little whether such a war does occur and sometimes seems to want it."

Carlos Andres Perez expressed the desire for the Sandinistas to heed the Socialist International because, he said, its intention is not "to interfere in the process of the Sandinist revolution" but to contribute to the mediation with the United States "within the context of Sandinism's own independent and spontaneous blueprint of political pluralism, a mixed economy, and nonalignment with either bloc."

The Venezuelan politician believes there is "no doubt" that Central America's five countries are an example of "limited sovereignty" because "the superpowers dominate the world and presume to maintain hegemony over the world divided into two blocs. We are here to discuss disarmament and we know that the major obstacle to disarmament is the fact that the superpowers always require a situation of uncertainty to justify the arms race, which is now leading us toward war in outer space. The same is happening to us now in Latin America. The superpowers presume to compete for hegemony within our own countries. The United States believes it is entitled, for geopolitical reasons, to maintain its influence in our region and it is the same with the Soviets when they invade Afghanistan and threaten Poland."

At the Mexico City conference Carlos Andres Perez stated that the only dictatorships left in Latin America are those of Paraguay and Chile. Asked whether he had forgotten Cuba and Nicaragua, the Venezuelan political replied: "Nicaragua is a process which is unfortunately moving toward totalitarianism, as shown by the closure of the daily LA PRENSA. Cuba is now situated on another front. Cuba is a communist country, and we are acquainted with the political, social, and economic parameters within which communism develops. Unfortunately, that problem is now beyond our scope."

SOVIET AMBASSADOR ACCEPTS GROUP OF SIX MEASURES

FL201625 Mexico City NOTIMEX in Spanish 2333 GMT 19 Aug 86

[Text] Mexico City, 19 Aug (NOTIMEX) -- After saying it is impossible to think that a summit meeting between the two superpowers can be held soon, Soviet Ambassador to Mexico Rostislav Sergeyev has indicated that his country accepts the verification measures proposed by the Group of Six.

In a press conference, the diplomat noted that the unilateral nuclear moratorium announced by the USSR is an immediate response to the Declaration of Mexico issued by the Group of Six. He indicated that his government is willing to have Group of Six envoys verify the handling of its nuclear equipment.

Sergeyev explained that the moratorium announced by Gorbachev is planned to continue through 1 January 1987, but this does not mean that weapons are not going to be built, saying that would be suicide. He added that no war experiments will be conducted with nuclear weapons during this period of time, although nuclear energy will continue to be used in development projects.

Referring to the possibility of a summit meeting between the U.S. and Soviet leaders, he said this is impossible in the near future as Reagan has not modified his international position regarding the arms race. He thinks of safety only in unilateral terms, Sergeyev said, reasserting that the Soviet Union will never initiate a nuclear holocaust, but if the United States strikes first, his country will strike back.

He indicated that since 6 August 1985 the United States has conducted 18 nuclear tests in the Nevada desert, part of which is on the Mexican border. He said the Chernobyl accident was a warning for the socialist country and made it understand the dangers of nuclear energy. He added that the USSR's new philosophy includes the preservation of humankind, not its destruction.

Sergeyev asserted that the Soviet Union has never hidden or wanted to fool the world regarding nuclear tests. On the other hand, the Reagan Administration assured that it does not want to accelerate the arms race but at the same time promotes "star wars," he said. He added that the United States lacks reasonable arguments in explaining to the world why it is continuing nuclear testing. Therefore, he continue, its assertions to the contrary are empty words.

On another matter, the Soviet diplomat confirmed that his country will withdraw six regiments from Afghanistan next December.

Soviet Nuclear Moratorium

FL201135 Mexico City NOTIMEX in Spanish 0440 GMT 20 Aug 86

[Text] Mexico City, 19 Aug (NOTIMEX) -- The Mexican Government is pleased with the Soviet Government's decision which responds to one of the most important aims of the Declaration of Mexico -- signed in Ixtapa, Zihuatanejo, on 7 August -- by the Group of Six. This was stated by the Foreign Secretariat in connection with the announcement on 18 August by the General Secretary of the Communist Party of the Soviet Union Mikhail Gorbachev on the extension until 1 January 1987, of its unilateral nuclear test moratorium.

Trade [Subhead]

5. They express their satisfaction over the results achieved within the framework of the subcommission to expand trade, because this represents important progress in the fulfillment of these goals shared by the two governments regarding the strengthening of bilateral economic and commerical relations. They express their deep pleasure over the agreements encompassed in the act to be signed today which anticipates a review and expansion of the Commerical Expansion Protocol (PEC) and the achievement of other understandings including agricultural, industrial and services agreements. They believe these agreements, in addition to encouraging the expansion of reciprocal trade, constitute a valuable contribution to the Latin American integration process, which the two presidents decidely support, and in particular to the regional negotiations carried out within the framework of the ALADI.

6. Regarding bilateral relations in the areas of scientific, technological, and technical cooperation, they note the good results obtained from the first meeting of the Sub Commission for Scientific, Technical, and Technological Cooperation and they view with great satisfaction the expansion of bilateral cooperation through the signing of agreements complementary to the basic scientific and technical cooperation agreement in the agricultural, scientific and technological, railroad, technical, and professional training areas. They also note the possible expansion of the previously mentioned cooperation to the areas of informatics and alternative energy sources.

7. They have decided to adopt measures to intensify bilateral cooperation regarding the Antarctic programs of their respective countries and to coordinate their position in those forums where the Antarctic treaty is discussed.

8. They believe that the development of exchange in the educational and cultural fields -- at the level of university and cultural organizatins -- is of fundamental interest for the strengthening of ties between the Uruguayan and Brazilian people and they confirm their decision to continue supporting the work carried out by the Subcommission for Cultural Cooperation.

9. They agree that the dynamism of the permanent relations between Uruguay and Brazil also encompasses other very important areas such as energy, transportation, telecommunications, health, tourism, commerical promotion and busienss contacts, all of which the two governments intend to continue promoting.

Development [Subhead]

10. They reassert their firm conviction that as a result of the contacts and the increasingly intense and profound initiatives between Uruguay and Brazil, important objectives will be achieved which will help the two countries improve the standard of living and the well-being of their peoples within the framework of their efforts to achieve a full material and spiritual development.

11. They recognize the importance of inter-regional trade as an essential element in achieving the general development of Latin American countries, by taking advantage of their complementing economies.

12. They note the special importance of cooperation mechanisms and regional integration and they reassert the intention of strengthening ALADI as a forum of negotiations and agreements; the SELA; and the River Plate Basin Treaty since they are useful tools to achieve the aforementioned lofty objectives.

13. They agree that serious obstacles continue to impede the improvement of the standard of living and the well-being of Latin American countries within the framework of the present international economic crisis.

14. They reassert that these difficulties may be overcome through the enforcement of a new international economic order that will instill a more just and equal treatment of the needs of developing countries, particularly regarding commercial, monetary and financial issues.

15. They express their concern over the enforcement of protectionist measures in developed markets, which affect the multilateral trade system, raising worrisome obstacles to the flow of trade and the access to markets of industrialized nations by developing countries." This is a highly important element in the strategy of developing countries which seek to achieve economic and social growth.

Foreign Debt [subhead]

16. They emphasize the importance of the Cartagena Consensus for dealing with the Latin American countries' foreign-debt problem, and stress the need to tackle this problem from the perspective of its political, social, economic, and commercial aspects. They point out the need to fairly distribute responsibilities for the problem's solution through dialogue between debtor and creditor nations, and consider positive the role of the Follow-up Committee of the Cartagena Consensus. They also renew their determination to fulfill their financial commitments through the sustained growth of their countries' economies, refusing to do so through the lowering of the standard of living of the population.

17. They voice their concern over the serious crisis in Central America, and firmly support the efforts by the Contadora Group to attain a peaceful and negotiated solution to the problems of that region, the deepest roots of which can be traced structural, historical, and social causes. They believe that the Contadora Group can, thus, continue to effectively contribute to finding a solution within the Latin American context.

18. They reaffirm their countries interest in the strengthening of the Inter-American system and the principles that govern relations among the member states. To this effect, they consider the protocol for the reform of the OAS, which was approved in the latest special session of the General Assembly, to be a positive step.

19. They reaffirm their countries' strict adherence to the norms of international law and the basic principles of international coexistence, such as the sovereign equality among states, peaceful solution of conflicts, non-use of force, observance of international treaties and agreements, respect for territorial integrity, self-determination of peoples, and noninterference in internal affairs of other states, in accordance with the Charter of the United Nations.

They note the fundamental role of the United Nations is keeping peace and promoting international cooperation, as well as strengthening the organization for the fulfillment of the objectives set forth in its charter.

Invitation [subhead]

20. They consider disarmament, especially in the nuclear field, to be essential to the strengthening of international peace and security, and reiterate their support for the ultimate objective of general and complete disarmament under adequate international supervision. They reaffirm their adherance to the objective of complete military denuclearization of Latin America, stressing the importance of the effective observance of commitments made to that effect by the military nuclear powers.

21. President Jose Sarney thanked President Julio Maria Sanguinetti for his decided support of the UN proposal that declares the South Atlantic as a zone of peace and cooperation. The two presidents, recalling the responsibility of countries in the area to promote regional cooperation for economic development and peace, reaffirm their governments' determination to keep the region free from conflicts and rivalries that are alien to the region, particularly from the nuclear arms race.

22. They consider the universal and unrestricted observance of human rights to be a basic duty, rejecting any form of racial discrimination. In this regard, they condemn the policy of apartheid implemented by the government of South Africa, equally condemning the illegal occupation of Namibia in disregard of pertinent UN resolutions.

23. President Julio Maria Sanguinetti invited President Jose Sarney to make an official visit to Uruguay. This invitation was accepted and a mutually agreeable date will be set.

ANDRES PEREZ 'PESSIMISTIC' ABOUT CONTADORA

PM201056 Madrid EL PAIS in Spanish 18 Aug 86 p 6

[Jose Comas dispatch: "Carlos Andres Perez: 'Intransigence of Washington and Managua Will Nullify Contadora Efforts'"]

[Text] Mexico City -- Carlos Andres Perez, former Venezuelan president and deputy chairman of the Socialist International, has well-founded hopes of being nominated again as candidate for president by the Democratic Action Party, which he founded. Pessimistic about the Central American situation and the future of the Contadora Group, he believes the peace efforts in the region are being crushed between the intransigent stances of Washington and Managua. The following interview was conducted recently in Mexico City, where Carlos Andres Perez was attending a conference on disarmament and development.

According to the Venezuelan leader, war over Nicaragua in the near future cannot be ruled out. "The latest events show that the intransigence of both sides is reaching such extremes that it will definitively nullify the Contadora efforts. On the one hand we have the U.S. decision to provide military aid to the contras. It is not just the $100 million. It is illusory and naive to believe that this is the total U.S. aid to the contras. This $100 million is intended merely to commit the United States constitutionally to the war in Central America, but the aid in weapons and military advice is much greater. A major army is being formed to combat Sandinism."

Perez' criticism extends to Sandinism, too, "which refuses to recognize the facts and which has set itself an absurd challenge in connection with this threat, a threat not only to Nicaragua and Central America but all Latin America." "I am referring," Andres Perez continued, "to the decision to indict Honduras and Costa Rica before the International Court at The Hague. Honduras is undoubtedly violating international law by openly and blatantly allowing its territory to be used by irregular forces to attack Nicaragua. From this viewpoint it deserves to be convicted by the International Court. But while the Contadora process is in progress, seeking specifically peace and cooperation, to bring this case before the Court at The Hague would simply mean nullifying the Contadora effort."

"In the case of Costa Rica," Perez said, "it is absolutely incomprehensible, because everyone knows that Costa Rica has declared its neutrality and that it sincerely practices neutrality, even asking for Contadora Group observers to supervise its border to prevent it from being used for the purpose of attacking Nicaragua. The Costa Rican Government has consistently declared that it will not accept the use of its territory for aggressive purposes against Nicaragua. Nevertheless the Nicaraguan Government has brought it before the Court at The Hague with a single aim: to undermine the Contadora process. This is what disturbs those of us who have supported the original Sandinist blueprint and vigorously combated and condemned the U.S. aggression, since we can see we are caught in the pincer of the two intransigent stances."

Regarding the objection that if the Sandinistas are undermining Contadora -- and the United States seems reluctant for it to continue -- the initiative's demise could draw nearer, Perez replied: "Contadora is not so much a decision to mediate in a Central American conflict as a decision that originated following the Malvinas war to seek our own solution to our own differences and problems."

"Contadora," he added, "must continue, whatever happens. It has at least succeeded in preventing a regional war. It would seem as though not even this will be achieved in the end, but the process must continue because Latin America's future depends on it."

Secretary General Gorbachev, when he notes the call made to the United States and the Soviet Union by various members of the international community, especially refers to the Group of Six. He said: In the last few days in the city of Ixtapa, they approved the Declaration of Mexico in which another call is made to stop all nuclear explosions.

The Mexican Government, as a member of the Peace and Disarmament Initiative, is pleased with Moscow's decision, as it represents an important step in the efforts aimed at making progress in disarmament and guaranteeing peace and safety in the world by facilitating an essential detente and political dialogue which will benefit all member states of the international community.

Envoy on Economic Ties

FL201518 Mexico City NOTIMEX in Spanish 0225 GMT 20 Aug 86

[Text] Cuernavaca, Mexico, 19 Aug (NOTIMEX) -- The Soviet Union will seek new forms of economic relations with Mexico through contacts at the highest level, USSR Ambassador to Mexico Rostislav Sergeyev stressed here today.

During the opening ceremony of the USSR Cultural Week at the Autonomous University of Morelos, Sergeyev noted that his country could provide economic aid to Mexico by building factories, giving technical assistance, and conducting cultural exchanges. In return, Mexico could cooperate with goods that are broadly appreciated in that country.

With respect to the disarmament problems, he said it is going to be difficult for the United States to understand how serious it is to use cosmic space for warlike activities. However, he clarified that the Soviet Union will attempt to limit the use of nuclear arms [as received] and end nuclear testing. He added that in that respect his country fully agrees with the Group of Six, which recently held a meeting at Ixtapa-Zihuatanejo.

EL SALVADOR'S CASTILLO ARRIVES FOR REBELS TALKS

PA201846 Paris AFP in Spanish 1829 GMT 20 Aug 86

[Text] Mexico City, 20 Aug (AFP) -- Salvadoran Vice President Rodolfo Castillo arrived in Mexico City this afternoon to begin a dialogue with the armed opposition. Castillo was greeted at the airport by Ricardo Valero, Mexican undersecretary of foreign affairs.

The meeting between the Salvadoran Government and the Revolutionary Democratic Front was scheduled to begin at 0900 today but was postponed because of the delay in the arrival of Castillo, who heads the government delegation.

The Salvadoran vice president was taken from the airport to the site of the meeting in an official vehicle, and the police prevented newsmen from contacting him.

Edgardo Guijano, a cameramen of Channel 2 Television of El Salvador, was injured when members of the communications media attempted to approach Castillo.

C.A. PRESIDENTS TO ATTEND UN GENERAL ASSEMBLY

FL210141 Mexico City NOTIMEX in Spanish 0021 GMT 21 Aug 86

[Text] United Nations, NY, 20 Aug (NOTIMEX) -- The six Central American heads of state and Mexican President Miguel de la Madrid Hurtado have confirmed their participation in the 41st UN General Assembly debate which will begin 17 September. The information officially released today by the United Nations indicates that the Central American crisis will once again be one of the central topics.

De la Madrid is planning to speak to the General Assembly for the first time on 22 or 24 September. The Mexican president had planned to attend last year, but the earthquakes forced him to cancel his visit. The six Central American heads of state who will attend the General Assembly meeting are Presidents Oscar Arias Sanchez of Costa Rica, Daniel Ortega Saavedra of Nicaragua, Marco Vinicio Cerezo Arevalo of Guatemala, Eric Arturo Devalle of Panama, Jose Azcona Hoyo of Honduras, and Jose Napoleon Durate of El Salvador.

Diplomatic circles have begun to speculate on the possibility of a Central American summit in New York to discuss the regional problem. The 41st UN General Assembly will be inaugurated 17 September, but the general debate will begin on Monday 22 September. Brazilian President Jose Sarney is scheduled to speak on that day.

COSTA RICA

URUGUAYAN OFFICIAL MEETS WITH VICE PRESIDENT

PA201542 San Jose Radio Reloj in Spanish 0100 GMT 20 Aug 86

[Text] Uruguayan Interior Minister Antonio Marquesano [as heard] met this afternoon with First Vice President Jorge Manuel Dengo. At the conclusion of the meeting Marquesano said his country still feels optimistic about Contadora and believes that pacification efforts must not be abandoned. The Uruguayan minister is in Costa Rica to learn about this country's prison system for possible application in his country.

EL SALVADOR

REPORTAGE ON GOVERNMENT-REBEL MEETING

Duarte Comments

PA202030 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 20 Aug 86

[News conference by President Jose Napoleon Durate with unidentified journalists on 20 August at the "San Bartolo School" -- recorded; broadcast in progress]

[Text] [Duarte] ...the vice president to complete the group. The first meeting is supposed to take place later today. This is all I can say. Of course, they will discuss some mechanisms at the Mexico meeting, and I hope that everything will come out all right.

[Reporter] Mr President, a guerrilla spokesman said that you have not complied with the agreements of the first and second dialogue. What can you say in this regard?

[Duarte] It is not worthwhile listening to that type of charge. We have to understand that it was I who convoked the La Palma dialogue. We created a committee for that purpose. We also met at Ayagualo, and all of you know about the Ayagualo disaster. Now I have convoked another meeting to see if we can have a dialogue and reach an understanding, to see if we can make them define their position. With what did we not comply? What I proposed at the United Nations and at La Palma is: Forget violence, stop killing people, join the democratic process. These are the things to which they must respond. If they fail to respond it means that they want to continue waging war, violence, and death. It's as simple as that.

[Reporter] Mr President, the guerrillas have said that in Mexico they would propose a military truce for the duration of the third meeting. Would you accept that?

[Duarte] Look, in Mexico they cannot discuss anything but the mechanisms. It is obvious that if there are going to be movements by the guerrillas from the mountains and if they have to cross part of the country, it is logical that we have to provide protection so that they may move. If they want to call that a truce, it is only logical that I have to contribute to their security. The important matter here is that they have to come in security, and I and the Armed Forces are providing them with the necessary security so that they may come.

[Reporter] The truce...

[Duarte, interrupting] The thing is that I don't like that word. I don't like that way of presenting the situation, because that is a political concept, and I don't want to be led into political concepts. What I have said is that I am going to give them security and that they -- whether it is Commander Villalobos, Handal, or whoever -- will be able to reach the site of the meeting. I guarantee that.

[Question indistinct]

[Duarte] No, military activities. The Army has a function, and it has to fulfill that function, namely, the country's protection. We cannot stop protecting the country. What can be done is to give those people protection along the areas they will be transmitting so that there is no problem and so that they can cross without any problem. This means that the Red Cross and some ambassadors will be with these people, and these people will be able to move through the areas of the country they must cross.

[Reporter] Military operations definitely will not be canceled.

[Duarte] I don't think it is pertinent to speculate on this. Let's wait and see what happens. Let's see what happens in Mexico. Let's see if they are prepared to talk or not. I am prepared to talk and ready to go wherever it is necessary to go to talk and seek peace.

Castillo Notes Goals

PA201734 San Salvador Radio Cadena YSKL in Spanish 1505 GMT 20 Aug 86

[Telephone interview with Rodolfo Castillo Claramount, vice president and foreign minister, from Mexico City, by Raul Beltran -- live or recorded]

[Text] [Beltran] We will now contract Rodolfo Antonio Castillo Claramount, vice president and foreign minister, who is in Mexico City, so that he can tell us about the atmosphere and particularly about the Salvadoran delegation's expectations from the significant meeting that will begin today. Good morning, Mr Vice President, you are now on the air for YSKL.

[Castillo] I can tell you specifically about our criteria, atmosphere, disposition, and attitude for this meeting, which I believe is basically the important thing. We will participate in the meeting with an open mind; we will adopt an attitude and a position of understanding to try to find practical solutions for the problems that will be discussed regarding the third round of talks to be held in the next few days here in Salvadoran territory. [as heard] We are going to propose and present the government's original position, and we are going to give our views regarding these aspects. We are optimistic but not overly optimistic or naive, as we know that the subjects are complex and difficult. However, we also feel that the Salvadoran people and their need for peace are worthy of efforts and understanding by those who have adopted an antagonistic and violent position. We believe they should rectify their stand and incorporate themselves in the democratic process, which continues to advance despite the difficulties it must face.

[Beltran] Mr Vice President, regarding the government's expectations through the delegation you head, in the past few hours there were rumors that the meeting could be suspended due to statements or actions that still continue in Salvadoran territory. In conclusion, what is the real position and desire of the delegation you head?

[Castillo] As I have said, the terrorist actions that have taken place in the country during the past few hours are certainly regrettable and do not reflect willingness or the desire to stop violence in order to find peace. However, this is not surprising, because these rebel groups operate on a nihilist concept in their struggle for power, and in that sense they are confused. They are definitely in a violent position as a result of violence itself.

Nevertheless, we believe that this situation can change at certain levels and that we can find formulas of understanding that will make it possible to achieve peace by giving up violence. This requires a change in mentality, a change of attitude and behavior; we need a [word indistinct] of methods in our country on the part of these groups in order to achieve peace within a process that must bring positive results, mainly for the Salvadoran people. After all, in the Marxist-Leninist concept of struggle the people are basically the (?reason) for the struggle. Therefore, it is absolutely inconceivable to make the people, whom they are supposedly trying to liberate, victims of war, death, and pain. We must definitely eradicate this concept of struggle from our country.

Our position is to seek methods that will facilitate the incorporation of these groups, methods for opening, strengthening, and broadening the democratic process in order to create the conditions for participation, organization, and security that will permit the incorporation of these groups into the national political struggle. This is the solution, really.

There really are no other possibilities for achieving peace in any country. Trying to attain peace through violence is a contradiction and a method we hope will be changed. During the meeting in Mexico we will discuss procedures to facilitate the third round of talks. The in-depth proposals for obtaining the results I have just mentioned will be made in that third round of talks.

[Beltran] Mr Vice President: In just a few more hours the meeting with the FMLN-FDR leaders will begin. Do you have any special greetings or message for the Salvadoran people, particularly those skeptics who do not believe in this type of policy that the Salvadoran Government is enforcing and are opposed to it?

[Castillo] Thank you, Raul. This is truly a magnificent opportunity, and you have just touched on a point that is very important in the country. As it now stands, the rebels in arms in the mountains, who are motivated by a Marxist-Leninist concept, are supported by other Salvadorans who are in the political trenches or the economic trenches and are unfortuantely in agreement with these concepts. The enemy seeks to annihilate us and allegedly achieve peace in this manner. A peace based on death, annihilation, sorrow, and bloodshed is not the peace this country wants. It is not the peace that leads to national reconciliation and harmony, that the positive forces of a nation want in order to solve the economic, political, and other crises of the country, particularly the social crisis. To oppose the dialogue without presenting any other alternative, because they do not dare to do so, is definitely to play into the hands of the rebels in arms. This makes two opposite poles coincide in a single concept; in other words, a struggle to the death, with one band finally prevailing over the other, using methods of destruction and annihilation against the enemy. This is precisely the situation we want to prevent in the country.

That is why the government has made this effort to hold a dialogue, that is why we are holding these meetings, precisely to try to strengthen and seek channels for rationality instead of brutality.

In a final message, I would tell the Salvadorans that we must not rely just on very high hopes, we must not think that things will be solved overnight. However, we must not lose faith. If we lose faith in the possibilities of human understanding, we will have lost faith in the possibilities of democracy. Democracy, after all, is the enforcement of ideas as well as a respect and tolerance for ideas. If we are not capable of doing this, then the truth is that we are capable only of killing each other, like beasts in a jungle. The people must have faith in the government's stand; they must have faith in the efforts we are making. Allow me to say that I believe this is the way the vast majority of Salvadorans think. I dare say that over 95 percent of the persons listening to your prestigious radio station feel this way, regardless of their political stand. They oppose death, violence, and sorrow of the people and favor rationality. Thank you very much, Raul.

[Beltran] Thank you, Mr Vice President and Foreign Minister, who is heading the delegation that will meet at 0930 or 1000 somewhere in Mexico City with the representatives of the left. The vice president heads the delegation that includes Ricardo Soriano, member of UNOC [National Union of Christian Workers]; Julio Adolfo Rey Prendes, communications minister; and the following advisers: Alejandro Duarte, Colonel and Dr Reynaldo Lopez Nuila, and Planning Minister Fidel Chavez Mena.

Dialogue Temporarily 'Suspended'

PA201531 Paris AFP in Spanish 1512 GMT 20 Aug 86

[Text] Mexico City, 20 Aug (AFP) -- The preparatory meeting for a new round of dialogue between the Salvadoran Government and the rebels, which was scheduled to begin today in Mexico at 0900 was "suspended for the moment," Gerardo Pena, press spokesman for the guerrillas, told AFP. "The problem is that Salvadoran Vice President and Foreign Minister Rodolfo Castillo has not arrived yet," but it is expected that he will arrive by noon, and then we can begin the talks immediately," Pena stated.

FMLN's Samayoa on Delay

PA202020 San Salvador Radio Cadena YSKL in Spanish 1855 GMT 20 Aug 86

[Telephone interview with Salvador Samayoa, FMLN delegate to the preliminary meeting, in Mexico City by Raul Beltran in San Salvador -- recorded]

[Text] [Beltran] Now we are on direct line with representatives from the Salvadoran left since the meeting scheduled for 1000 this morning between leftist delegates and the Salvadoran Government was delayed. We are contacting Salvador Samayoa, who is an FMLN delegate to this private and preliminary meeting in Mexico City to learn what is truly happening, as we have been unable to contact Salvadoran Government officials.

[Samayoa] Greetings to all. Regarding the delay in the meeting, I would like to report that this was caused by the delay of Dr Rodolfo Castillo Claramount who is heading the government delegation. The government delegates had pledged to be in Mexico City on 19 August to begin talks early this morning. They were delayed. I do not know if this was caused by last-minute political difficulties or if this is merely a technical difficulty. According to the report we have, they should be arriving today at noon. We should begin the talks at 1700.

[Beltran] We know that the vice president left early this morning for Mexico City. President Jose Napoleon Duarte returned last night from Santo Domingo, and so a legal problem came up. If the vice president left in the afternoon, the country would be left without a president.

[Samayoa, interrupting] [Sentence indistinct]

[Beltran] This was apparently the cause. I do not know what information you have.

[Samayoa] According to our reports, Dr Castillo had just arrived in Mexico City. Therefore, the government delegation would be complete.

[Beltran] Did you, then, accept the delay of today's meeting?

[Samayoa] Sure. It made no sense for us to make a fuss about that. We have accepted postponing the meeting since they had that problem.

[Beltran] Would this mean that the meeting between Salvadoran Government officials and FDR-FMLN delegation will be extended; in other words are you not going to settle everything today?

[Samayoa] We will probably not be able to conclude all the topics today. I imagine the meeting is going to be rather complex. Well, although we have potential to reach an agreement, and keeping in mind the great desire of all the Salvadoran people and social sectors to engage more strongly in the process of searching for peace, we are going to do our best to agree to continue the talks. However, I do not think that this is something that can be settled in a few hours.

[Beltran] Mr Samayoa, can you tell us if Mexican Government officials are acting as observers, and are they providing security and attention to the two delegations for the meeting, and also, at what time are you planning to start the talks this afternoon? At what time have you decided to meet?

[Samayoa] Yes. The Mexican Government is the host of the Salvadoran Government delegation as well as ours. In this regard, it has given us some facilities and attentions for the transportation, security, and infrastructure we need to hold the meeting. However, it is not playing a major role in a political sense. This means that there will be no Mexican Government observers during the meeting. The meeting is scheduled to begin at 1700 today.

[Beltran] At 1700. Mr Salvador Samayoa, what time is it in Mexico?

[Samayoa] It is 1247.

[Beltran] So that our YSKL listeners in El Salvador may have a clearer view of what is happening in Mexico, we have already talked to Salvador Samayoa, FMLN leader and its representative during this round of talks which will be held with Salvadoran Government delegates. How long do you think the private and serious meetings will last? How many topics do you want to settle or discuss in Mexico?

[Samayoa] The topics concern the preparations of the third round of meetings which would have to be held inside Salvadoran territory. That includes agreement on the place and other practical and operational matters. There is a relatively complex point. It involves all aspects regarding security, especially the security of our delegation. Duarte has said that he vouches for the security of the meeting with his life. However, that is obviously not enough. There are many people who oppose the talks and want to harm the process of talks. Therefore, we most likely will not accept that as a guarantee of safety. We would have to discuss this.

Also, there are two important political aspects. As you well know, one is that most political and social sectors are demanding to have observers at the third round of talks. We support that stance. We would have to discuss that with the Salvadoran Government here. We have learned that political parties and social and labor sectors have demanded that the government should meet with them before holding the third meeting so we may know about their stances. We support that demand, too. However, we have to learn here about the government's stance. In sum, there are some matters concerning the meeting itself. And there are political aspects concerning the participation of the diverse national sectors in the process of search for peace. Therefore, we would try to agree on practical and operational aspects as well as aspects involving the participation of national sectors in the meeting.

[Beltran] To conclude, Mr Salvador Samayoa, as one of the FMLN representatives meeting today in Mexico with the government delegation to discuss specific aspects, it was learned here today that the guerrillas, the FMLN, are proposing a truce, or a ceasefire to agree on and hold the third round of talks. Is that true?

[Samayoa] That is absolutely true. We feel that we must strive to create an appropriate climate of detente to hold the meeting. This is because there is a process of great polarization. The struggle in the political and military fields has deepened. We feel the appropriate climate for holding the third round of talks would have to include agreeing on a military truce. At least, that is our view.

[Beltran] Well, this afternoon, we talked to Salvador Samayoa, another delegate of the Salvadoran left for the meeting that will begin at 1700. We end this direct report from Mexico City with delegates of the Salvadoran left to meet with the delegates sent by President Jose Napoleon Duarte.

Villacorta Notes 'Optimism'

PA201747 San Salvador Radio Cadena YSKL in Spanish 1514 GMT 20 Aug 86

[Telephone interview with FDR representative Jorge Villacorta by YSKL Reporter Raul Beltran in Mexico City -- live or recorded]

[Text] [Beltran] We now contact the representative of the leftist guerrillas and of the FDR, the chief of the Salvadoran rebels' delegation who begin the first round of talks somewhere in Mexico City today. Jorge Villacorta and Salvador Samayoa are the members of this delegation, and Dr Arnet, the widow of Zamora, is the adviser. We will now talk with the representative of the leftists, Jorge Villacorta, an engineer. He was a militant of the Christian Democratic Party [PDC] and was a member of the first cabinet of the first revolutionary government junta following the 15 October 1979 coup. He left the country after he resigned his post of Deputy Minister of Agriculture on 20 May 1980. He later joined the political sector and now belongs to the Social Christian People's Movement, a member of the FDR and of the FMLN.

The leftist delegation was completed yesterday afternoon when Salvador Samayoa, who was Education Minister of the revolutionary government junta, arrived in Mexico City. We now contact the leftist representative a few minutes before the beginning of this first round of conversations. This is the coverage being given by La Poderosa, Radio Cadena YSKL. We also want to specify that these exclusive statements were made after we contacted the two sectors.

By mutual agreement, a statement will not be issued after the first round of talks, except for whatever agreement the two delegations may reach in private. These statements would also then be broadcast by La Poderosa, Radio Cadena YSKL. This subject is one of national interest. We now listen to Jorge Villacorta, representing the Salvadoran leftists in Mexico City, and chief of the delegation.

What is your delegation's opinion as the meeting begins today?

[Villacorta] Of course, it is important for me to take advantage of this occasion to inform the Salvadoran people in general that our attitude is very positive and we are very optimistic about this meeting.

We feel the meeting is very important because it will allow us -- if we are as successful as we hope to be -- to prepare for the third dialogue meeting, to be held in Salvadoran territory in the near future. To prepare for this meeting implies our establishing a place, a day, security aspects, in other words all of the logistic and administrative aspects, but we also hope to establish the agenda for the third dialogue meeting. If we can achieve this, it will ensure that both delegations can prepare, and the basic issues can be discussed immediately.

The answer is that there is an atmosphere of optimism, of hope that everything will go well. Our attitude is very positive and we hope the government's will be the same, as it has announced publicly.

[Beltran] Engineer Villacorta, some political sectors in El Salvador have been saying that this type of meeting, and the type of dialogue that has been established with the leftist representatives should not take place. Some sectors here, according to what the vice president -- who heads the government delegation -- has said, feel that the only solution for El Salvador to achieve peace would be a military solution. What do you think of this situation, even though it is also said that the left wing plans to attain power through the use of arms?

[Villacorta] For the past 4 years, practically since the [word indistinct] began, we have said that the alternative for El Salvador's crisis, for the situation we are experiencing, is a negotiated political solution. We said that the solution calls for a negotiation because there are two sides in conflict, two sides which on one hand represent different interests but which on the other hand are definite realities. The past 6 years have shown us that the FDR-FMLN has a presence, and the government, the Durate regime and, unfortunately, the U.S. interests also have a presence. In that sense we are realistic. We are convinced that the only possible solution that will reduce costs, the Salvadoran people's grief, and the destruction that war produces is to find a political solution. That political solution, we insist, is negotiation, because there are two real sides in conflict. Fortunately, thank God and [words indistinct], we find that the majority of the Salvadoran people are aware of this. The people at one time felt that in lieu of elections they could contribute to finding an alternative. I believe the last 18 months have been more than a lesson for the Salvadoran majority in the sense that it has taught them that simple elections are not a full solution, that elections perhaps contribute to making some sectors seek solutions but they fail if they do not confront the basic problem. There is no possibility of solving economic and social problems if we do not face the basic problem, which is the war.

In this regard, though we have observed how ultra right-wing and even more conservative sectors have opposed a political solution, they are simply a minority that is trying to take advantage of the war. We know that there is a large sector of Salvadoran society which, from the time the war began, [words indistinct] from the war and thus are opposed to this type of solution. However, we are convinced, I insist, that the majority of the people, independent of their social or economic position or their political ideology, are convinced that the only alternative is a negotiated political solution, that war only generates more war, and we must promptly find a solution. We are convinced of this.

We are also convinced, I insist, of the need for a negotiated solution, not a surrender as some sectors have suggested.

A surrender is simply to surrender rifles as some people say, and join the alleged democratic path, which we consider to be insufficient at this time. We are definitely convinced that is not the alternative. We need a negotiated solution to the conflict. For this, unfortunately, the war must continue, but it must gradually disappear as we find concrete solutions from the simplest to the most complex issues.

[Beltran] Engineer Villacorta, last week it was not certain that this preparatory and private meeting with government delegates would take place because the two sides argued whether or not the arrangements had been made. All in all, there was confusion regarding the preparatory negotiations. Today the meeting is a reality and we are only a few hours away from knowing about and perhaps later viewing the meeting between the government and left-wing delegates in Mexico City. I would like you to tell us how all of this was established. I understand that there will be no statements after the meeting and that it is not possible to disclose the place where you will meet with the mediator Msgr Arturo Rivera y Damas.

[Villacorta] At last all of this is ready. The process was rather difficult. It is understandable that the war has polarized El Salvador, the sides in conflict do not trust each other, and we must generate, we must produce. We have the elements of judgement to be confident and I believe that we must build our confidence in one another. That is why these talks are difficult.

We have seen signs that lead us to believe the government is not really interested in finding a solution of this type, but in view of its weakness and political isolution -- which is known and accepted by all the Salvadoran people -- it will turn to a dialogue and through it seek support, to seek political breathing room. I believe that these prejudices exist, they are supported by actions, and definitely make this dialogue process difficult. In spite of this, the Salvadoran Government finally made the necessary arrangements from 8 August, in writing, and they made theirs on Friday, but this has facilitated and hastened the process. The Mexican Government has kindly contributed in this search for conversations in the framework of its policy of looking for political solutions for conflicts in Central America. As you have correctly pointed out, these talks will begin in a matter of hours. These talks are strictly of a preparatory nature. That is, what we are going to do is to agree on the site, on logistics, on security aspects, and on the duration of the meeting. If possible we would discuss the points of the agenda but without discussing the contents of the agenda or the proposals made by both sides.

So, we are waiting. We are only a few hours away from the meeting. The atmosphere, as I have said, is highly positive. We thank the Mexican Government for its kindness and its support in this regard.

[Beltran] Will the site for this meeting be announced?

[Villacorta] Definitely no. The two sides have agreed that this meeting should be absolutely private because, as I have said, whatever we discuss and agree on now will be very important for the third meeting. If we want to promote the security aspect, and others, for the third meeting, this preparatory meeting, the site for it and the results of it must be absolutely private.

If a statement to the press is made later -- we don't know if this will be done -- this statement would be to point out, in general terms, the environment and the success or failure. The meeting would be successful if we agree on a site and on a date that we will not be able to announce.

[Beltran] Villacorta, last Sunday the mediator said here that at the meeting in Mexico -- which is going to be held very soon -- the two parties will be discussing the case of arrested labor leaders and the case of members of humanitarian organizations who are in Salvadoran prisons, in exchange for the release of Colonel Omar Napoleon Avalos. Reportedly this is one subject not included in the agenda but that nevertheless will be discussed. Is this true?

[Villacorta] Yes. I would like to clear up this point. The intermediary Archbishop Msgr Rivera told us that he was going to take advantage of the fact that we are going to be meeting here in Mexico City and bring lists of the names of the people who could possibly benefit from these negotiations. This includes labor leaders and human rights and humanitarian organization members. His idea is that we would be in possession of these lists and be able to initiate the negotiations process. We believe that the government has either received or is about to receive these lists from the intermediary so that it may process that information. We talked with the archbishop and of course we agreed to accept these lists, but the discussions of these lists would take place at a meeting completely independent from this preparatory meeting with the government. The discussion of the lists would take place outside that meeting, after the meeting. Such discussions would take place only with the intermediary and only to receive the lists. That is: The negotiations involving the colonel and the leaders will not be included in the talks for this private preparatory meeting.

[Beltran] To conclude as we did a few minutes ago with the vice president of the republic, who heads the government's delegation, as you head the FMLN-FDR delegation: Do you want to say anything else? Do you want to make a special appeal to the Salvadoran people through YSKL from Mexico City. This is an opportunity to do it.

[Villacorta] Yes. Friends of YSKL: We want to take advantage of this opportunity, on behalf of our fronts, to tell the Salvadoran people our point of view on the problem. We want to tell you that we view this meeting with optimism, as one with great possibilities, yes, but we also view it very carefully and with the great attention because the conflict we are enduring in El Salvador is very complex and very difficult. Solutions are not easy. This is no simple problem. We are not going to find simplistic solutions such as surrendering weapons and joining democratic life. The problem is much more complex.

We are going to work seriously on this opportuntiy to establish administrative and logistic mechanisms that should allow us to participate in a third meeting in Salvadoran territory where we will engage in discussions and we hope to make advances on important aspects to benefit the Salvadoran people, and to secure benefits that the Salvadoran people may be able to notice the day after an agreement is reached. We are going to start with simple, immediate, and specific matters to begin advancing on the process. The negotiations process is lengthy, but we have to initiate it. The first steps are most important. The first steps -- simple but specific -- are to be made once we initiate the third meeting.

For now we are going to make advances in the preparations. We are going to be reporting to the people, by our means and through the media, on the advances that will be made in this regard.

We ask the people to be alert because advances by the two sides on the political solution process depend on the people, on their popular organizations, and on the national will.

FMLN COMMUNIQUE ON EXCHANGE OF PRISONERS

PA210253 (Clandestine) Radio Venceremos in Spanish El Salvador 0119 GMT 21 Aug 86

[Communique issued by the FMLN General Command in El Salvador, dated 20 August]

[Text] The FMLN proposal of making a goodwill gesture consisting of the release by the government of the prisoners from the people's Movement and of Colonel Napoleon Avalos by the FMLN has provided evidence of the existence of a large number of civilians -- noncombatants -- who are in prison for alleged political reasons. Their trials have yet to begin.

Auxillary Bishop Gregorio Rosas Chavez himself has said that the list of people captured -- this list was presented by relatives and people's organizations -- already numbers some 942 cases. The list has been presented to Msgr Arturo Rivera y Damas with the hope that these people will be released. The majority of the political prisoners in El Salvador are noncombatants. They are civilian residents of areas in conflict, leaders and rank and file members of the people's movement, union leaders, and leaders of humanitarian organizations. Only a small percentage of them are FMLN combatants, and these have not received recognition of their status as prisoners of war. Therefore, the people captured as part of the framework of repression have been arbitrarily, unjustly, and illegally deprived of their freedom, and the demands of the people for an immediate amnesty, which were reasserted a few days ago, are totally justified.

We want to point out that many missing people are among those 942 people. [sentence as heard] The brutality of this repressive method remains in effect. Proof of this is the capture of our companeras Yaneth Bamour and Maximina Reyes in December 1985 and the recent capture and murder of Comapnera Virginia Pena. To avoid confusion and misunderstandings by the local and international media, as well as by the people in general, we make the following clarifications:

1. In regard to our proposal for the simultaneous release of prisoners held by the government, only our combatants in prison should be excluded, who we have noted are in the minority.

2. The list we will take to the negotiations will include all the cases presented by the relatives and by organizations to Msgr Rivera y Damas.

We urge the church to cooperate so that the hopes of the Hundreds of relatives who expect to see their people released are not betrayed, given this new opportunity offered by the FMLN as a gesture of goodwill. We also urge all the people's organizations, all human rights groups to protest and demand an end to the capture and the release of people who have been unjustly arrested, and an explanation on the whereabouts of the missing people. The government policy of capturing innocent people without reason to justify their imprisonment has forced us to give priority to these cases over our combatants in prison, who are aware that we must put duty [1-second break in transmission] before personal interest, because we have dedicated our lives and our unlimited sacrifice to the people's cause.

United to fight until the final victory!
Revolution or death, we will win!
FMLN General Command
El Salvador, 20 August 1986.

VENCEREMOS ALLEGES MILITARY RAID INTO HONDURAS

PA202343 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Aug 86

[Text] Paracaidistas Battalion troops operating in the border pockets of Nahuaterique, entered Honduran territory early on Tuesday, 19 August, according to reports from people living in the area. We have already reported that troops of the Paracaidistas Battalion, who this morning entered deep into Honduran territory, are coordinating their actions with the Honduran Armed Forces' High Command, through the 10th Infantry Battalion in Marcala. It is well-known that on 14 August 24 helicopters were used to land these troops in the areas known as Las Trojas and Nahuaterique.

Furthermore, on 15 August units from the Leon Battalion of the 3d Infantry Brigade entered Honduras, close to the town of Santa Ana, Intibuca Department. Likewise, we recall that some weeks ago the Arce Battalion, which, was trained in Honduras, entered Honduran territory from San Miguel Department to rape young Hounduran women and capture and torture Honduran citizens. Azcona Hoyo's government has allowed them to go unpunished. This complicity is part of the payment which Azcona Hoyo is making for the decorations he received from Duarte and the millions of dollars he receives from the Americans.

The secret military agreements signed by Duarte and Azcona include one which allows Salvadoran troops to operate deep in Honduran territory [word indistinct] could evict the Honduran civilian population which might represent an obstacle for the American plans in that zone. The first Honduran families have already been evicted, following a raid carried out some weeks ago by Colonel Staben, well-known leader of the death squads.

We recall that Colonel Mauricio Ernesto Vargas, commander of the 4th Military Detachment in Morazan, unwisely revealed to the news media that an agreement exists with the Honduran Government which allows the Salvadoran Army to operate in the border pockets. Vice President Rodolfo Antonio Castillo Claramount publicly denied these statements.

On Tuesday morning the Paracaidistas Battalion left the border pockets and entered deep into Honduran territory, thus confirming that an agreement which gives the Salvadoran Army the authority to use the neighboring country's territory exists. We urge national, Honduran, and international news media to confirm these reports directly. We will continue to report on the situation which has developed following the raid of the Paracaidistas Battalion troops into the Honduran territory.

HONDURAS

LOPEZ: CONTRA AID WILL NOT PASS THROUGH COUNTRY

PA210132 Paris AFP in Spanish 0004 GMT 21 Aug 86

[Excerpt] Tegucigalpa, 20 Aug (AFP) -- Foreign Minister Carlos Lopez Contreras stated today that the $100 million in U.S. aid for the Nicaraguan contras "will not pass through Honduran territory, and this is the government's official position." The contras have received supplies at their camps which are primarily in the eastern department of El Paraiso, top U.S. officials admitted in March.

President Jose Azcona has repeatedly stated that the new U.S. aid to the anti-Sandinists would not necessarily be delivered through Honduras because the United States can use airports in other nearby countries or ships or planes to deliver the supplies to Nicaragua.

Lopez Contreras stressed that the decision not to permit the passage of the aid through the country was made by the Honduran Government and reported to the Reagan administration. But he added that Washington has not threatened to cut off economic aid to Honduras in the event that it does not permit the use of its territory. [passage omitted]

NICARAGUA

TIRADO URGES SUPPORT FOR PERUVIAN GOVERNMENT

PA202121 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 20 Aug 86

[Excerpt] [passage omitted] Commander of the Revolution Victor Tirado Lopez said that at a national level workers are facing problems with raw materials and spare parts. He said that this is caused by the economic blockade and the war of aggression. Tirado said that in face of this situation, the unity of the working class helps to win the economic, political, and military battle against imperialism. [recorded passage indistinct]

The Sandinist leader called on the workers to express their support for Alan Garcia's government. Pressured by the U.S. Government, the IMF recently froze all loans to Peru. Tirado asked the Latin American countries to united in a single bloc against the aggression and urged the Central American countries not to continue playing the game of the U.S. warmongering policy.

NONALIGNED TO STRESS SOLIDARITY WITH PANAMA

PA200410 Havana International Service in Spanish 2300 GMT 19 Aug 86

["Our America" commentary]

[Text] Since 1903, when Panama became an independent nation, U.S. imperialism has imposed an onerous treaty which allowed the United States to seize a portion of Panama's territory, the so-called Panama Canal Zone.

Military bases and academies were established everywhere in this colonial enclave, cradle of the counterrevolution and fascism in Latin America.

Since then, the Panamanian people have been waging a difficult, uninterrupted, and at times bloody struggle, to rescue the nation's sovereignty over the Canal Zone and the interoceanic passageway, which is its main source of natural wealth.

There have been many occasions when the U.S. troops attacked peaceful Panamanian demonstrators who were demanding restitution to the country of the territory seized by Washington by virtue of the 1903 canal treaty.

When General Omar Torrijos assumed power in 1968, the Panamanian people and government joined in the patriotic crusade to win full sovereignty over the entire national territory.

From that moment, world support was almost unanimous for this just aspiration, and the U.S. Government was forced to sign the new canal treaties in 1977.

The new treaties establish that on 31 December 1999, Panama's sovereignty, the restitution of the Canal to its exclusive control, and the total withdrawal of U.S. military forces from Panamanian territory will become effective.

During the significant display of solidarity with the Panamanian people's cause, the peoples and governments of our America, for which it was an elemental duty, played an important role, as did the Nonaligned Movement, which Panama joined as full member in 1975. The following year, the fifth summit conference of the Nonaligned Movement, held in Sri Lanka, expressed in its final declaration the wish for an agreement to be reached on the canal treaties. It reiterated to the Panamanian government and people, its firm support and solidarity in their just struggle for sovereignty and jurisdiction over the so-called Canal Zone.

During the Nonaligned Movement summit conferences held in Cuba and India, in 1979 and 1983 respectively, the signing and ratification by Panama and the United States of the new canal treaties, was approved as an important action which restored to Panama its territory and its effective control over the entire nation.

However, the heads of state and government who met in Havana and New Delhi were forced to demand that the United States fully respect the terms of the treaties, inasmuch as Washington was already beginning to violate them.

The Nonaligned Movement summit which will soon open in Zimbabwe must reiterate its solidarity with Panama and strongly protest the imperialist slander campaign, which is aimed at having the fatherland of Omar Torrijos put an end to its independent, nationalist, and nonaligned policy.

ALARCON MEETS WITH PERUVIAN FOREIGN MINISTER

FL202006 Havana Tele-Rebelde Network in Spanish 1100 GMT 20 Aug 86

[Text] Cuban Deputy Foreign Minister Ricardo Alarcon has been received in Lima by Peruvian Foreign Minister Allan Wagner, with whom he held talks for over an hour. Alarcon also talked with his counterpart Hubert Wieland. Alarcon is expected to arrive in Buenos Aires today.

VIERA LINARES MEETS WITH INDOCHINESE AMBASSADORS

FL202259 Havana Television Service in Spanish 1700 GMT 20 Aug 86

[Text] Acting Cuban Foreign Minister Jose Raul Viera Linares has met at Foreign Ministry headquarters with Ambassadors Hoang Luong, from the Socialist Republic of Vietnam, Soukthavon Keola, from the Laos People's Democratic Republic, and Long Visalo, from the People's Republic of Kampuchea.

The meeting was held in a friendly and fraternal atmosphere. The ambassadors from the three sister countries informed Viera Linares of the results achieved at the 13th Indochinese Foreign Ministers' Conference held in Hanoi on 17 and 18 August.

Viera Linares informed the ambassadors of Cuba's firm support of the positions adopted at the conference as well as the conviction that these will be invaluable in supporting peace and stability in Southeast Asia.

RAUL CASTRO SENDS GREETINGS TO FISHERMEN

FL201150 Havana Radio Progreso Network in Spanish 1100 GMT 20 Aug 86

[Text] Army General Raul Castro, party second secretary and FAR minister, has sent greetings to La Coloma fishery unit workers for their participation in the 150th birthday of Generalissimo Maximo Gomez military maneuver. The warm message was conveyed on Raul's behalf by Orlando Lugo, Central Committee member and party first secretary in Pinar Del Rio.

PUBLIC WORKS SECRETARY RESIGNS 'UNDER PRESSURE'

FL202230 Santo Domingo Cadena Brea Pena in Spanish 1600 GMT 20 Aug 86

[Text] Elvio Rodriguez, secretary of state for public works, unexpectedly resigned today from the position he was appointed to last Saturday [16 August].

Though the reasons for his resignation were not officially revealed, "Noti-Tiempo" learned from reliable sources that the decision was made under pressure. A source reported that Rodriguez was pressured by a sector of the Reformist Socialist Christian Party which protested against him on Monday and Tuesday [18-19 August].

Reformist militants and leaders protested at the Public Works Secretariat on Monday and Tuesday, and it became necessary for police agents to remove them from the area. During this time, a reformist sector protested against Rodriguez citing his similarity with Dr Victor Gomez (Berguez), who was expelled from the party led by Dr Joaquin Balaguer.

Rodriguez' resignation is the first since the new government was installed last Saturday.

DESMOND TUTU 'OVERWHELMED' BY SUPPORT

FL201824 Kingston Domestic Service in English 1130 GMT 20 Aug 86

[Text] The Archbishop-elect of Capetown, the Right Reverend Desmond Tutu, assured Montegonians yesterday that he and his family have the most important message to take back to their people and it was that Jamaicans care. Bishop Tutu was last night toasted at a cocktail party by Health Minister Dr Kenneth Baugh at the (Windorm) Resort Hotel in Montego Bay.

An enthusiastic crowd tried its best to get a handshake or just a close look of the bishop as he arrived and began meeting the people. He eventually made his way to the platform in the main ballroom, where in a few brief remarks, he expressed gratitude to their excellencies, the prime minister and the people of Jamaica for inviting him here. Bishop Tutu said he and his family were quite overwhelmed by the response of the Jamaican people. He told the attending audience that one of the things that the Tutus will take back to South Africa was the fact that the people in Jamaica care. He gave several anecdotes to build up a point on unity, cooperation, and fellowship before closing on the note of love.

Minister Kenneth Baugh, in an interview with the bishop, noted that whatever political party Jamaicans belong to they felt strongly against apartheid and said Bishop Tutu could be assured of the country's support. A number of gifts were presented to Bishop Tutu, his wife (Helena), and daughter (Nicole). Bishop Tutu and wife will fly out of Donald Sangster Airport today while (Nicole) will leave in a separate flight later.

Ends 5-Day Visit

FL201829 Bridgetown CANA in English 1742 GMT 20 Aug 86

[Text] Kingston, Aug 20, CANA -- South African anti-apartheid activist, Bishop Desmond Tutu, left Jamaica today at the end of a five-day visit during which he repeatedly advocated stringent economic sanctions against Pretoria's white-minority government.

The black clergyman, soon to be consecrated as head of the Anglican Church in South-Africa, was guest of the Government. He left today from the north coast tourist city of Montego Bay where he spent the last two days after a hectic round of engagements in the capital, Kingston.

Tutu said last night that he would take back to South Africa, black and white, the message that Jamaica cares.

During his visit Tutu, warned by the South African authorities that he could face charges for his sanction calls, repeatedly stressed that he was prepared to continue, whatever the consequences. One does not do things constantly looking over one's shoulders, he said.

Tutu was presented with the Order of Jamaica, the country's third highest national honour and the highest that is awarded to a foreigner.

FBIS

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SELA REGIONAL DIRECTOR ON U.S. 'PROTECTIONISM'

PA211522 Caracas Television Service in Spanish 0000 GMT 21 Aug 86

[Text] The SELA regional coordination director, Miguel Rodriguez Mendoza, has reported on Latin American countries' trade relations with the United States emphasizing Latin America's dependency, the increase of U.S. protectionism, and the permanent confrontation between the northern power and the developing countries.

In order to confront this disadvantageous situation that affects Latin American exports, SELA proposes maintaining a systematic follow-up of the restrictive policy that the United States is trying to apply and of the legislative changes that are affecting trade with Latin America.

SELA is also considering the possibility of a coordinated action with the Latin American ambassadors to Washington, as well as lobbying, that is, mobilizing public opinion and the sectors that make U.S. trade policy in order to defend Latin American interests.

A mechanism that is considered effective and that has been put into practice by the EEC, Japan, and the United States is using the regional purchasing power.

[Begin Rodriguez recording] This basically means a refusal to buy certain products coming from the United States, if the United States does not change some of its policies or its protectionist measures affecting Latin American exports. [end recording]

In conclusion, all of the mechanisms included in the multilateral efforts of Latin America will depend on the political will of the governments affected by the U.S. protectionist measures.

CHILEAN SECRET SERVICE SPYING ON ARGENTINES

PY212148 Madrid EFE in Spanish 1912 GMT 21 Aug 86

[Excerpt] Buenos Aires, 21 Aug (EFE) -- A reliable diplomatic source told EFE today that the Argentine Embassy in Santiago is one of the diplomatic missions in Chile that was spied upon by General Augusto Pinochet's secret services. The source stated the Argentine Foreign Ministry "has evidence that its embassy in Santiago has been spied on, but that taking into account the forthcoming visit of Pope John Paul II to Chile and Argentina, it has decided to keep silent on the case." Asked further about the "evidence," the source stated: "The Hotel Tito has been erected next to the embassy's building, located at 285 Miraflores Street, in Santiago. The owner of the hotel is a high-ranking member of the Chilean secret service."

"On several occasions we have detected the drilling of holes on the adjacent wall, which were later closed," leading us to believe that microphones have been installed to record the conversations within the Argentine diplomatic mission.

"Moreover, in front of the Argentine Embassy there is another 2-story building which has been uninhabited for years. But, we know that the movement of persons within the embassy offices is watched from there," the source added. [passage omitted]

Report 'Baseless' Without Name

PY220003 Buenos Aires TELAM in Spanish 2346 GMT 21 Aug 86

[Text] Buenos Aires, 21 Aug (TELAM) -- The Foreign Ministry tonight announced that a report disseminated this afternoon -- 21 August -- by the press agency EFE entitled, "Argentine Embassy in Chile was Also Spied On," is absolutely baseless, and lacking any truth.

The Foreign Ministry has once again reiterated, that any type of information attributed to an official source of the Foreign Ministry will lack any truth if the name of the official is not specifically mentioned.

ALCONADA DENIES REPORT ON NICARAGUAN EMBASSY

PY211526 Buenos Aires TELAM in Spanish 2344 GMT 20 Aug 86

[Text] Buenos Aires, 20 Aug (TELAM) -- Latin American Affairs Under Secretary Raul Alconada Sempe today denied reports that the Foreign Ministry intends to request the number of personnel at the Nicaraguan Embassy in Buenos Aires be reduced. Alconada Sempe stated that the report by a morning daily is completely untrue and that it does not conceal its intention to disturb the relations with a friendly Latin American country.

The denial was made in the presence of Nicaraguan Ambassador to Argentina Fernando Guzman Cuadra, who went to the Foreign Ministry to discuss the upcoming visit of a Nicaraguan delegation to Buenos Aires to discuss a broad agenda of bilateral issues.

ALCONADA RECEIVES CUBAN VICE FOREIGN MINISTER

PY212200 Buenos Aires TELAM in Spanish 1718 GMT 21 Aug 86

[Text] Buenos Aires, 21 Aug (TELAM) -- Cuban Vice Minister of Foreign Relations Ricardo Alarcon has met with Raul Alconada Sempe, under secretary for Latin American affairs, to discuss bilateral matters, particularly the position of the Latin American group at the forthcoming summit conference of the Nonaligned Movement to be held in Harare, Zimbabwe, beginning 1 September.

Alarcon went to the Foreign Ministry accompanied by Cuban Ambassador to Buenos Aires Fernando Lopez Muino and Argentine Ambassador to Cuba Luis Clarasso de la Vega.

At the end of the meeting, Alconada Sempe began his preparations for the trip to Harare where he will attend the preparatory meetings of the 8th summit conference of the Nonaligned Movement.

SENATE EXPRESSES SOLIDARITY WITH PERU ON IMF

PY220219 Buenos Aires TELAM in Spanish 2344 GMT 21 Aug 86

[Text] Buenos Aires, 21 Aug (TELAM) -- The Argentine Senate has approved a declaration of solidarity with Peru against the coercive measures adopted by the IMF against Peru.

The Senate, acting on the initiative of Senator Adolfo Gass (UCR - Buenos Aires) suspended debate on the drug bill, to discuss the proposed declaration. After the approval of the declaration, the Senate continued with the discussions on the subject scheduled for today's session.

48-HOUR STRIKE UNDERWAY; COB ISSUES COMMUNIQUE

PY211458 La Paz La Red Panamericana in Spanish 1130 GMT 21 Aug 86

[Text] Workers throughout Bolivia today began a 48-hour stoppage called by the Bolivian Labor Confederation [COB] and the Board for the Defense of the National Sovereignty [Junta Defensora de la Soberania Nacional] the committee for the Defense of Mining [Comite de Defensa de la Mineria], and the Consultative People's Committee for the Support of Mineworkers [Comite de Consulta Popular en Apoyo a los Trabajadores Mineros].

In keeping with instructions issued by the COB, emergency services -- namely the electric power supply service, water supply service, cemeteries, slaughterhouses, municipal crews, ENTEL [National Telecommunications Enterprise], ENTA [National Automotive Transport Enterprise], LAB [Lloyd Bolivian Airline], AASANA [Auxiliary Air Navigation Service Administration], radio stations, press, television stations, YPFB [Bolivian Government Oil Deposits], health services at hospitals, clinics, and emergency services -- will work normally.

The COB has reasserted that the stoppage is being held: to support Oruro and Potosi Departments; to defend the sovereignty; to protest tax increases and the resumption of payments on the foreign debt; and, to defend sectorial social achievements and the pressing need to improve the purchase power of the salaries.

In a communique signed by Juan Lechin Oquendo, Victor Lopez, Angel Zaballa, Jose Justiniano, and others, the COB protests the government's repression against the Oruro workers and people.

The COB communique states: Never before have the protests, demonstrations, and demands of a neglected nation whose workers have been submitted to the nefarious consequences of a policy oriented toward the destruction of productive enterprises been more justified.

The COB communique adds that the government is using repression as its customary method to silence the people's protests in view of its complete inability to provide solutions or at least to find ways to solve the serious problems being endured by the Bolivian nation and people. Condemning repression and the denial of civil principles and rights provided for by the Constitution, the COB states that more than 40 people were arrested and 10 injured during the massive protest rally in Oruro. The communique states: We reiterate that it is the government that disturbs public order and denies Bolivians the right to live as human beings. It adds: the protests will continue as long as the unpopular measures, which erode the basic conditions for a peaceful and democratic coexistence, are not halted.

In turn, the government warned it will drastically enforce the law in the face of excesses by the unionists. Interior Minister Fernando Barthelemy has stated: We have been very tolerant recently, seeking to show that the government is willing to pacify the country. However, this attitude has been viewed as weakness. Now, we will have to adopt the measures established by the law, that is, we will basically carry out the law, the interior minister said.

The interior minister added: The events occurring yesterday show us the irresponsibility of some political and trade leaders. He said that we know there is a preconceived plan designed by COB and COBEE [Bolivian Electric Power Company] trade union leaders to exert pressure for their demands for salary increases by causing power cuts throughout the city of La Paz.

Barthelemy stated: Today, we will file an indictment to have these individuals tried. It is not possible to harm the people this way. Electric machines were stopped, and this was a totally irresponsible move, the minister said. The minister added: We should understand that our problems will not be solved through rash actions by irresponsible people.

Barthelemy accused the members of the Convergence Axis [Eje de Convergencia] and of the so-called Board for the Defense of the National Sovereignty of being responsible for the social unrest in Bolivia.

The minister said: I cannot understand how they failed to create a board when we were invited by the communist guerrillas and when strongly armed paramilitary groups supported drug trafficking. The minister concluded by stating that certain political sectors recently adopted attitudes championing nationalism, that the Human Rights Assembly only champions the rights of left-wing people, and that certain organizations created abroad have adopted the same orientation.

Antelo: Situation 'Normal'

PY212211 La Paz La Red Panamericana in Spanish 1700 GMT 21 Aug 86

[Excerpts] According to Information Minister Herman Antelo, complete tranquillity prevails throughout Bolivia. The police are patrolling the cities and the Armed Forces are patrolling the roads to prevent any disturbances. This report was made by Antelo during a cabinet meeting recess at 1309 at Government House. [passage omitted]

The information minister said reports have been received from different points in Bolivia, stating that the situation throughout the national territory is normal. Let us listen again to Minister Herman Antelo's report.

[Begin recording] Concerning the country's general situation, the reports received at Government House and at the Interior Ministry state that tranquillity prevails throughout the national territory and that the strike or general stoppage called by the COB [Bolivian Labor Confederation] is being partially observed. In some departments, it is being strictly observed and in others only partially. In some departments, like Trinidad and Santa Cruz, the strike is hardly noticed while in other departments, like Oruro and Potosi, which have already been paralyzed, the strike is more noticeable. You can personally assess the situation in La Paz.

The police are on a state of alert to prevent any action to disrupt public order. The police will not act if those actions are not taking place. The Armed Forces are also patrolling some roads and highways to prevent them from being blocked. [end recording] [passage omitted]

MINEWORKERS STAGE DEMONSTRATION IN ORURO

PY220228 La Paz La Red Panamericana in Spanish 0000 GMT 22 Aug 86

[Text] A new, noisy demonstration was staged in the city of Oruro this afternoon when thousands of mineworkers marched through the main streets detonating sticks of dynamite. A Radio Panamericana correspondent in Oruro has reported that several windows have been broken as a result of the demonstrators' explosions. Here is the report from our correspondent:

[Begin relay from Oruro] Mineworkers have announced different marches throughout the nation. A march was staged this afternoon, for approximately 3 and 1/2 hours. Simon Reyes Rivera, executive member of the mineworkers, has announced a mineworkers' march through the main capitals of the country, calling it a peaceful march for life.

Many people spoke today, but Reyes Rivera was considered to be one of the main speakers. He said that tonight the leaders of the different unions grouped in this capital will begin the preparations for the march that could begin on Saturday with a march to La Paz, and later to the other four main capitals.

This afternoon, at 1600, a demonstration was staged here with the objective of preventing the closing of the mines and further dismissals of mineworkers. Delegations from Catavi, Siglo Veinte, Huanuni, Bolivar, Santa Fe, Morococama, Machacamarca, San Jose, and Oruro were present.

A negative action -- which has caused a reaction -- was taken by the mineworkers who despite the absence of police troops detonated stickes of dynamite continuously, provoking fear among the people and causing considerable damage to the main store windows.

The demonstration also repudiated the first departmental authority. The dynamite explosions were intensified when the mineworkers observed groups of employees, workers, and other civilians along the streets. We repeat, the mineworkers staged a demonstration this afternoon, and they decided to stage other marches through the different capitals of the country to prevent the genocidal plan of closing Comibol [Mining Corporation of Bolivia]. [end relay]

VIDEO SHOWS 'EVIDENCE' OF ESPIONAGE CASE

PY212240 Madrid EFE in Spanish 1942 GMT 21 Aug 86

[Text] Santiago, 21 Aug (EFE) -- Former Chilean Congressmen Sergio Paez and Carlos Dupre today revealed some details concerning the case of political espionage on several embassies and showed a videocassette containing the statements of the two alleged spies.

Paez and Dupre said in a press conference before Chilean and foreign reporters that they have evidence of the espionage conducted at the Spanish Embassy. They added that this was only part of a network involving "all the embassies" accredited in Santiago. They also explained that "approximately 1 and 1/2 or 2 months ago" they were contacted by two individuals who said they were in charge of intercepting confidential information from the Spanish Embassy.

They are former noncommissioned officers of the Chilean Navy, Patricio Geldres and Victor Enriquiz, who said they were working for the National Intelligence Center (CNI) and upon request of the two former congressmen, they handed over copies of the documents obtained from the Spanish Embassy. The whereabouts of Geldres and Enriquiz are unknown, but according to reports, they already left Chile.

Paez and Dupre indicated the documents were checked and later verified with the Spanish Embassy and that they were copies of notes and other documents belonging to that embassy.

The alleged spies made an extensive and detailed declaration in a videocassette that lasted 12 minutes and was shown to the reporters. The two individuals who introduced themselves as Patricio Geldres and Victor Enriquiz said they are former noncommissioned officers of the Navy and are currently working for the CNI.

They explained that their mission was to gather all the trash and other rubbish from the Spanish Embassy and to classify and select all kinds of paper, rough copies, typewriter ribbons, perforated telex tapes and even the documents put through the shredder. This material was then patiently classified according to color, weight, quality, etc, and then ordered on rubber topped tables like a jigsaw puzzle. This is how the former naval noncommissioned officers recomposed notes and documents -- some of them restricted and confidential -- which were sent from the Spanish Embassy in Santiago to the Ministry of Foreign Affairs in Madrid and vice versa.

The individuals indicated that the reconstructed documents included coded messages and lists of dinner guests at the Spanish Embassy. The two "deserters" also said that they were aware that similar groups were gathering information from other embassies such as the Uruguayan, Venezuelan, Italian, and Netherlands Embassies. Geldres and Enriquiz also said it is possible that espionage was also being conducted at the U.S. Embassy through infiltration of the security company "Wockannat," contracted about 1 year ago.

After the videocassete, the former Chilean congressmen offered reporters photocopies of documents allegedly intercepted at the Spanish Embassay as evidence. Some of the documents are related to the participation of Spanish congressmen in a recent meeting held in Chile.

'Vulnerable' Informers Sought

PY212255 Madrid EFE in Spanish 1707 GMT 21 Aug 86

[Text] Santiago 21 Aug (EFE) -- The Venezuelan and Uruguayan Embassies in Chile have been spied on by two former Chilean noncommissioned Navy officers, who left behind a video recording and have fled the country.

Former Deputies Carlos Dupre and Sergio Paez showed the 12-minute video made by former noncommissioned officers, Patricio Geldres Santander, 33, and Victor Leonidas Enriquiz Valenzuela, 31, at a press conference. The two former Navy men said they decided to desert and reveal the details of their work when they were ordered to recruit "vulnerable" Chileans working in the embassies on which they were spying. They said the most vulnerable ones were those who had an excessive fondness for alcohol or women.

Regarding the espionage against the Uruguayan Embassy, the alleged spies said they were told to start recruiting personnel who would deliver information. For that purpose, they had organized files containing information. They had specifically selected the person in charge of security in the Uruguayan Embassy as being "vulnerable."

Geldres and Enriquiz said they had decided to hand over the information and leave the country because they were ordered to become involved in acts they considered inappropriate for former members of the Armed Forces.

They added that they were part of "one of the spy networks working in all the embassies in Santiago."

KIDNAPPED COLONEL RELEASED; CONDITION GOOD

PY220311 Paris AFP in Spanish 0303 GMT 22 Aug 86

[Text] Santiago, 21 Aug (AFP) -- Police sources reported that Colonel Mario Haeberle, who was kidnapped on 18 August by the clandestine Manuel Rodriquez Patriotic Front (FPMR), was released tonight apparently in good condition in the eastern part of Santiago. The colonel was released 88 hours after the kidnapping, which mobilized about 8,000 soldiers, policemen, and security agents in the search of the kidnappers.

The colonel was released after Cardinal Juan Francisco Fresno asked the FPMR to release the prisoner as a way to seek peace and real fraternity.

PINOCHET SAYS POLITICIANS AWARE OF ARMS CACHES

PY212125 Santiago Domestic Service in Spanish 1700 GMT 21 Aug 86

[Relay from Government House by Rosa Sanchez]

[Excerpts] President Pinochet has reported that the investigations into the discovery of arms caches in the Northern region and also near Santiago, have shown that more than one politician was aware of the existence of this arsenal. Pinochet announced this while thanking numerous people for their congratulations on his 13th anniversary as Chilean Army Commander, which he will commemorate within a few days.

The first greeting he received was from a Pudahuel community leader who expressed the affection of Pudahuel community dwellers and the support for a government that, as she said, has sought the best for Chileans. President Pinochet answered her by saying that since 11 September 1973, he has not been struggling for himself, but for Chile, its people, and for all those who have needs. He added that today more than ever, the Chilean Government needs their support.

[Begin Pinochet recording] They have brought (?all of this came from) abroad. There is more than one politician involved in all this. The investigations being carried out show there are some who knew the existence of this arsenal.

This is why I deeply thank you for your presence here today. You can be certain that while I am alive, and while I am here in my post, my main concern will be the people who needs the most -- the Chilean people, who must improve their standard of living -- because everyone must have the chance to be someone.

I remember once in Pisagua, I asked a lady why she was a communist and she answered: Because I want my children to be someone, and no one gives me anything.

Well, I am not a communist. I am an anticommunist. But, I also want to give you something so that your children may be able to fulfill their aspirations. [end recording]

Pinochet made a similar statement in four other meetings during which he was greeted and congratulated by other groups. [passage omitted]

Santiago Raids Yield More Arms

PY212026 Santiago Domestic Service in Spanish 1700 GMT 21 Aug 86

[Excerpts] The Government Social Communications Agency Dinacos has issued a communique which reports on the raids that were carried out yesterday by security personnel in the Santiago Metropolitan area. It adds that as a result of these raids many more arms were discovered. The following is a relay by Rosa Sanchez:

[Begin relay] The Dinacos has just issued a communique reporting that security personnel have found new arms cahces near Santiago.

The Dinacos communique states:

Dinacos informs the public that security personnel investigating the discovery of important clandestine arms caches in the 3d Region, yesterday discovered new arsenals near Santiago. These installations belong to the so-called terrorist Manuel Rodriguez Patriotic Front [FPMR] and are used as caches for the arms brought from the 3d Region, as well as a subversive training center.

The Dinacos communique adds that at 2496 Vicuna Mackenna Avenue, in Penaflor, security personnel discovered a specially prepared hidden tunnel, which was used as an arms and explosives cache. Security personnel also dismantled an arsenal found on lot No 4, called La Trilla. Among other things, the security personnel found the following war materiel: 60 FAL rifles; 45 M-16 rifles; 4 M-60 machine guns; mortars; rocket launchers, and explosives.

The Dinacos communique adds that another arms cache was found on a lot located at 576 Grandos Street, in La Quintana. This arms cache consisted of an abundant supply of ammunition, about 29 rifles and rockets.

Five people were arrested following the discovery of these new arms cache. They have been identified as: Jose Abelardo Moya Toro, Jorge Vladimir Velazquez Ugarte, Viviana Soledad Ortega Carrasco, Manuel Arturo Solis Cubillos, Marianeta (?Absobillo), and (?Eva Tatcher). A minor -- the daughter of one of those arrested -- has been placed under the custody of a close relative who was contacted.

Dinacos noted that the people will continue to be informed about the progress of the investigations of the arms caches discovered near Santiago. [end relay]

Before the discovery of the arms cache -- located under a chicken house -- a young couple and a mysterious third person escaped minutes before security personnel arrived. The arms found there are reportedly part of the cache clandestinely brought into the country by subversive groups during the beginning of 1986.

Security personnel continue to conduct search operations in Santiago and the provinces to discover all the arsenals and deposits installed in the 3d Region where subversives have established a beachhead to disembark the arms. [passage omitted]

IMPRISONED JOURNALIST RELEASED, EXILED TO FRANCE

PY211529 Paris AFP in Spanish 2126 GMT 20 Aug 86

[Text] Santiago, 20 Aug (AFP) -- Official sources have reported that Ulises Gomez Navarro, a Chilean journalist who has been imprisoned for the past 8 years for his activities within the outlawed Movement of the Revolutionary Left (MIR), has been released in Santiago and was exiled to France today.

Gomez Navarro was arrested in 1978 by agents of the military government of President Augusto Pinochet, who accused him of cooperating with the MIR in the clandestine publication of the newspaper EL REBELDE. Brought before a military court, Gomez Navarro, 29, faced additional charges. He was sentenced to a prison term, which, he served in several prisons in Santiago and other cities. The Chilean Government ordered his release after accepting the exile of Gomez Navarro.

A statement issued by French Ambassador to Chile Paul Depis states that Depis conveys his appreciation to the high-ranking Chilean authorities for the act of mercy which has permitted Mr Ulises Gomez Navarro to leave for France. The communique added that everyone who participated in this solidarity chain of events -- the happy outcome of which we are now learning -- must feel both stimulated and hopeful.

Gomez Navarro left today for Paris on an Air France flight.

BARCO ANNOUNCES GUARANTEES FOR OPPOSITION

PA220132 Bogota EL SIGLO in Spanish 15 Aug 86 pp 1, 6

[Excerpts] Yesterday President Virgilio Barco sent a message to the Conservative Party leadership in which he states that "the government will do everything possible to facilitate the legal exercise of opposition."

"The appropriate guarantees, the tools to carry out opposition activities, and the proper settings will be at the disposal of the Conservatives and of all sectors of the opposition as well," the president said.

The message was sent to Rodrigo Lloreda Caicedo and Roberto Gerlein Echeverria, president and vice president of the National Conservative Party Directorate, respectively.

The following is a complete text of the message sent by President Barco to the Conservative Party officials:

Dr Rodrigo Lloreda Caicedo, president of the Natinal Conservative Party Directorate.
Dear Doctor:

The current political situation involves enormous responsibilities for Colombian Government leaders. The government and the political parties must be aware of the importance of these historic times, and therefore we must act accordingly.

I would like to strongly state that the government will not spare any efforts leading to the strengthening of our democracy through the constructive discussion of the problems of our country. We will do everything possible to facilitate the legal exercise of oppostion. The appropriate guarantees, the tools to carry out opposition activities, and the proper settings will be at the disposal of the Conservatives and of all sectors of the opposition as well.

I am sure that the organization you represent with dignity will carry out the opposition within institutional channels and in keeping with the highest criteria. Therefore I would like to express my deepest respect for the political guidance your directorate has given to the Conservative Party.

I know that the government and the party you represent will contribute to the success of this political project that lies within the framework of the tolerance of Colombian democracy.

I am especially pleased with your appointment as president of the National Conservative Party Directorate. We are willing to maintain a permanent dialogue that may allow us to move forward in the interesting job of devising new methods to improve our political regime.

The Government Minister Speaks [subhead]

Government Minister Fernando Cepeda Ulloa, at the end of a meeting with the Conservative Party leaders, said that access to public administration cannot be determined by political parties, color, or religious beliefs. He also called on everyone to work for a better Colombia.

Cepeda Ulloa announced that the Conservative Party will work with the present government in important technical positions. In this regard he said: "We are ready to appoint members of the Conservative Party in important decentralized institutions, which will be of significance to the country. [passage omitted]

Public Order [subhead]

Regarding this issue Cepeda Ulloa said that some regrettable incidents have taken place and that the government has taken measures. "The most difficult case of all, because of social reasons and not because blood has been spilled, has been one involving Cauca Department where more than a thousand peasants have been demonstrating. The government immediately sent Carlos Ossa Escobar, presidential adviser on reconstruction, rehabilitation, and normalization, to solve this problem in a civilized and appropriate manner. I believe this problem is being handled well. Regarding other cases such as unexpected attacks and ambushes, it is very difficult for the government to be as prepared as it would like to be," Cepeda Ulloa said.

Government Minister Cepeda Ulloa said the situation "is not serious," "There have been some regrettable incidents which we hope will not be repeated," he said. [passage omitted]

The Guerrillas [subhead]

Asked if Ossa Escobar would be working alone in the reconciliation duties, Cepeda Ulloa said he is not alone because he will have a government structure at his side, which will be in charge of the rehabilitation plan and national and international financing which will coordinate political, economic, and social problems of the government. "All of the ministers will convene to discuss with him the situation of former guerrillas who want to join civilian life so they may receive the benefits of those programs. The entire government will be involved in this job, led by the president who will give it more support. It will be a radical change of the policy of rehabilitation, reconciliation, and normalization," Cepeda Ulloa said.

Regarding the rehabilitation plan, he said the government is taking the necessary measures to speed up the financing of the program.

TRIBUNAL DISMISSES JUDGE WHO RELEASED OCHOA

PA211836 Bogota Television Service in Spanish 1730 GMT 21 Aug 86

[Text] The Superior Customs Tribunal has dismissed Fabio Pastrana, the sole customs judge of Cartagena, who released Jorge Luis Ochoa [alleged drug trafficker]. The U.S. and Spanish press rejected this action by Judge Pastrana.

The customs tribunal is meeting at this hour to review the names of all its delegates in the country.

Further On Pastrana's Removal

PA220209 Bogota Television Service in Spanish 0000 GMT 22 Aug 86

[Text] Controversy still prevails in the United States because of the decision made by customs Judge Favio Pastrana to release the alleged drug trafficker Fabio Ochoa Vasquez on bail in Cartagena after he was convicted of smuggling bulls for bullfighting.

Judge Fabio Pastrana was removed from his post by the Customs Court. However this decision was not made because of Pastrana's involvement in the Ochoa Vasquez case. The court appointed 50 out of 72 judges. It has been the largest replacement of customs judges so far. This move involves a change in customs, justice, and will surely lead to a stage of moralizing.

Regarding the Ochoa Vasquez case, we must point out that the attorney general's office has been informed by the Justice Ministry that in addition to Judge Pastrana, the warden of La Ternera Jail also knew about this incident.

It is well-known that Ochoa Vasquez is being sought by U.S. officials.

PATRIOTIC UNION MEETS WITH NEW DEFENSE MINISTER

PA150137 Bogota Television Service in Spanish 1730 GMT 14 Aug 86

[Text] The Patriotic Union Coordinating Board today told high-ranking military commanders of the harassment which members of the party are being subjected to in several areas of the country. Jaime Pardo Leal [leader of the Patriotic Union Coordinating Board] said this meeting with the defense minister and high-ranking military commanders is truly the democratic opening of President Virgilio Bargo's government.

[Begin Pardo recording] The meeting went just as it should. It is the first time in our country's history that a defense minister has met with the democratic and revolutionary forces. This meeting has been very useful, for us and for the country. We want nothing for our movement. We want to implement peace in our republic. The meeting was a good and honest one and we hope that what was discussed at the meeting -- in strong but polite words -- will be fulfilled. We asked that the Patriotic Union be guaranteed that all its leaders and members will be allowed to be in contact with our people and that not more graves of men struggling for peace and social changes will be opened. [end recording]

BRIEFS

NEW ECOPETROL PRESIDENT -- Jose Francisco Chona Contreras has been appointed new president of the Colombian Petroleum Enterprise, Ecopetrol, replacing Alfredo Carvajal Sinisterra. In addition, Gabriel Turbay Marulanda was appointed Deputy Minister of Mines and Energy. Diego Otero was appointed head of the Colombian Electrical Power Institute, ICEL. [Summary] [Bogota EL TIEMPO in Spanish 1 Aug 86 p 6-8 PA]

MILITARY APPOINTMENTS -- Official sources announced yesterday that Army Major Generals Jaime Hernandez Lopez and Pedro Nel Molano Vanegas were appointed new director of the Superior War College and Army prosecutor, respectively. In addition, it was reported that Major Generals Ernesto Lopez Ruiz, Antonio Jose Prado, and Armando Aris Cabrales will become inspector of the General Command of the Military Forces, inspector of the Army Command, and private secretary of the defense minister, respectively. [Summary] [Bogota EL TIEMPO in Spanish 10 Aug 86 p 7B PA]

INCREASE IN FOREIGN INVESTMENT -- The Colombian Government has reported that foreign investments increased by $288 million during the first half of 1986 as compared to the same period last year. [Excerpt] [Bogota Cadena Radial Super in Spanish 1730 GMT 17 Aug 85 PA]

CONGRESS APPROVES INTERNATIONAL AGREEMENTS

PA211845 Quito Voz de los Andes in Spanish 1130 GMT 21 Aug 86

[Text] The National Congress has approved three international agreements. Two were signed by the EEC with the member-countries of the Andean Group, the third by the Commission of the Cartagena Agreement with Panama. Congress also began a pre-approval review of administration implementation measures concerning Spanish-Ecuadoran social security agreements and supplements.

Approved were the cooperation agreement between the member-countries of the Andean Group and the EEC, and the protocol of the trade and economic cooperation agreement signed by the Andean nations with the European Coal and Steel Community, which was concluded in Cartagena in December 1983.

The purpose of the documents is to bolster trade ties between the Andean subregion and the EEC. They were promoted by the Andean Parliament while Ecuadorean Raul Baca was chairman.

The third agreement is aimed at intensifying economic ties between the Andean Group and Panama through trade and financial cooperation as well as implementation of technical, scientific, and technological programs.

ALFARO LIVES CLAIMS RESPONSIBILITY FOR KILLINGS

PA211408 Paris AFP in Spanish 2333 GMT 20 Aug 86

[Text] Quito, 20 Aug (AFP) -- Today at noon the Ecuadoran Alfaro Lives rebel movement claimed responsibility for the murder of three policemen who were guarding a member of that group. He was rescued from the Eugenio Espejo Hospital located in front of the National Congress in Quito. The incident took place on Tuesday, and was condemned by all sectors of the country.

The rebel communique was delivered to the media, signed "somewhere in Ecuador," by the top leader of group Arturo Jarrin, for whose arrest and that of other rebels the government has offered a reward of 5 million sucres ($30,000).

The Alfaro Lives group said its Martyrs of Guayaquil Commando "rescued Companero Lenardo [as received] Vera Viteri Fidel," and it claimed "full responsibility for the three casualties inflicted on the Ecuadoran national police during that operation."

General Luis Suarez, the general commander of the police, who arrived at the premises along with Ecuadoran Government Minister Luis Robles Plaza, said that six men and a woman dressed as interns arrived at the hospital in a stolen taxi, and "killed at point blank range the policemen who were guarding the prisoner. The policemen did not have time to react. The rebels were armed with machine guns and used 9 mm automatic pistols to kill the policemen.

UNION LEADER KILLED; BOMBINGS REPORTED

PY211944 Paris AFP in Spanish 1513 GMT 21 Aug 86

[Text] Lima, 21 Aug (AFP) -- The police today reported in Lima the killing of a trade union leader of the state-owned Centromin [Central Peruvian Mining Enterprise] in Cerro de Pasco, two bomb attacks in Puno, and another in Ayacucho over the past 24 hours. It is believed the attacks are the work of the Shining Path commandos.

Trade union leader Saul Porras was stabbed to death yesterday by two presumed Shining Path members who followed him from his house in the suburbs of the city of Cerro de Pasco, 317 km southeast of Lima. Porras participated in the discussions on the latest demands raised before Centromin by the Federation of Miners and Metalworkers -- some 17,000 members -- which sponsored a strike in February and March 1986. During the strike, four trade union leaders were killed.

The Peruvian authorities then said the killings were perpetrated by terrorists who have infiltrated the trade unions with the aim of rendering the mining enterprises inactive, thus seriously harming them. In Juliaca, a province in Puno Department, the building that houses the Collasuyo Radio Station, and the house of Jose Loza, a United Left candidate for mayor of San Roman Province, were bombed yesterday. There were no casualties, but serious damage was reported. In Ayacucho, an explosive device planted at the Turistas Hotel, where APRA [American Popular Revolutionary Alliance] Deputy Alberto Valencia was staying, was defused. Valencia said that a note was left next to the bomb, threatening to kill him.

MOTION FILED TO QUESTION CABINET ON PRISON RIOTS

PY211923 Paris AFP in Spanish 1606 GMT 21 Aug 86

[Text] Lima, 21 Aug (AFP) -- Congressional sources today reported some 62 opposition deputies last night submitted a motion to summon Peruvian Prive Minister Luis Alva Castro's Cabinet for questioning in connection with the events that took place in June this year at 3 Lima and Callao prisons, where approximately 300 prisoners charged with terrorist activities died.

Meanwhile, 45 Republican Guardsmen have been sent to Canto Grande prison -- on the outskirts of Lima -- because of their direct involvement in the execution of more than 100 inmates of Lurigancho prison -- also in the suburbs of Lima -- after they had surrendered. Deputies of the United Left (IU), the second strongest political force in Peru, of the Popular Christian Party (PPC), and of the Popular Action (AP), yesterday asked Chamber of Deputies President Fernando Leon de Vivero to set the date for the Cabinet to be questioned in Congress.

This is the first time a motion has been filed to question the ministers of the current administration. It contains 22 questions concerning the events that took place on 18 and 19 June, when some 700 prisoners charged with terrorist activities staged simultaneous riots in prisons in Lima and Callao. The riots were violently brought under control at the cost of some 300 lives. A meeting with the Socialist International was being held at the Peruvian capital at that time.

DEFENSE MINISTER COMMENTS ON 'TENSION' IN FORCES

PY202250 Montevideo Radio Carve in Spanish 0930 GMT 20 Aug 86

[Telephone interview with Uruguayan Defense Minister Juan Vicente Chiarino to Radio Carve reporter in Montevideo -- date not given]

[Excerpts] [Reporter's introduction] Defense Minister Juan Vicente Chiarino has said that it is advisable to avoid radical stands and to make a great effort to understand the problem of pacification. He added that the actions recently undertaken by some groups, which frequently criticize the Armed Forces, have created tension among some members of the military, who feel that they are being harassed.

Chiarino confirmed that 17 retired generals have issued a communique accepting responsibility for their actions during the struggle against subversion. He said the military men have not categorically rejected amnesty. He also confirmed that a house next door to the houses of two officers was attacked.

[Begin recording] [Chiarino] As you know, the president has for a long time tried to work out a political accord which will create an atmosphere of peace and tranquillity, so that the government and Congress may tackle the problems facing our country. [passage omitted]

[Reporter] How do the Armed Forces regard the situation?

[Chiarino] The commanders are considering the situation with absolute tranquillity. However, there is tension, and this is logical if we take into account what is happening in this country. As I said not long ago, I believe that the Armed Forces feel that they are being harassed. I will not deny what I said before. [passage indistinct] [passage omitted]

[Reporter] Mr Minister, 17 retired generals a few hours ago released a communique assuming responsibility for their actions during the antisubversive struggle and rejecting an amnesty.

[Chiarino] I have the impression that they did not categorically reject amnesty. The communique was read to me only once. The document was read at a meeting I held with the president and the Armed Forces commanders. It was submitted to the president before being released. I have the impression that the communique issued by the 17 generals has many positive points that the public may welcome, despite the fact that not everyone agrees with the Armed Forces' viewpoint on the struggle against subversion. But that is something else. Now that you are talking to me over the phone I cannot recall all the details of the communique. Yet I had the impression that it did not convey a rejection of amnesty and that it established some preconditions for reaching a solution, which the retired generals also deem essential for the preservation of peace. Therefore, I do not think the communique has categorically rejected amnesty.

[Reporter] Dr Chiarino, how does the government view this situation, particularly in light of the recent statements by Vice President Enrique Tarigo, who said the country is very close to a state of disturbance and who even wondered whether we are just waiting to see the first victim fall in the streets?

[Chiarino] Look, I do not believe that the remarks by Dr Tarigo, which I read in the newspapers this morning, have that meaning. However, I did not read his statement very carefully because I expected to read it more carefully this evening, when I will also analyze the remarks by Dr Jorge Batlle and Senator Manuel Flores Silva. I believe that the three leaders all agree that this matter cannot remain unresolved indefinitely, because it is hindering the resolution of other key issues that can also lead to debate. Yet this debate will not be as heated as in the human rights violation case.

Dr Tarigo said that any unfortunate incident would be undesirable. I believe it is very good that he said this and warned of this, because thank God no serious street incident occurred during the first 1 and 1/2 years of this administration, except for the difficulties that are known to everyone. But serious incidents can occur any time if radical factions increase tension to an unacceptable level. If this happens, it will be too late to try to find a solution or to deplore the situation. Therefore, all of us should try to avoid such a situation. Fortunately, the painful incidents that occur in other countries are not common here. In some South American countries, such incidents have happened so many times that the people do not react as intensely as the Uruguayan people would react if an incident between radical groups ended in violence. I do not mean that the people of those South American countries have become accustomed to such events, because this too would be terrible. We should try to avoid similar incidents. [passage omitted] [end recording]

BLANCO LEADER REJECTS AMNESTY FOR MILITARY MEN

PY220016 Montevideo Madrid EFE in Spanish 0038 GMT 21 Aug 86

[Text] Montevideo, 20 Aug (EFE) -- Amnesty for the Uruguayan military men involved in human rights violations is "unacceptable" for the main opposition National (Blanco) party, said top party leader Wilson Ferreira Aldunate today.

After meeting with President Julio Maria Sanguinetti to discuss this issue, the "Blanco" leader added that now the issue will have to be discussed by Congress. In turn, Sanguinetti decided not to make any statements about this matter to the journalists who were waiting for him today during a visit to the national cattle fair.

The president and his "Colorado" party last Monday decided to promote an amnesty law for military men, based on the principle of justice after the release of the "Tupamaros" guerrillas and "to pacify the country." The ruling "Colorado" party lacks the necessary number of votes in Congress to unilaterally impose its amnesty bill because it needs 66 votes and can only count on 55 among senators and deputies.

Sanguinetti today started a round of consultations with the main political leaders to achieve a consensus that will permit the approval of the amnesty bill at a time when in governmental circles a confrontation between "hot-headed left-wing people and nostalgic Armed Forces sectors" is feared.

The comments Ferreira Aldunate made tonight are the first obstacle the government has encountered in proceeding with the initiative. Political sources stated that the lack of votes to approve the amnesty bill may lead to a confrontation between branches and an eventual dissolution of congress with a call to elections in 8 weeks.

FOREIGN MINISTER CONSALVI TRAVELS TO HAITI

PA220332 Caracas Television Service in Spanish 0000 GMT 22 Aug 86

[Report by Martin Pacheco]

[Text] After participating with President Jaime Lusinchi at the meetings held today with ambassadors, Foreign Minister Simon Alberto Consalvi traveled to Haiti.

The purpose of his trip is to meet with the new Haitian authorities and with representatives of all political, economic, and social sectors.

Haiti is going through an important stage of political transition, which Venezuela has been following with great interest. After such a lengthy dictatorship, there are many difficulties that must be faced to promote a new course in this nation's history.

According to Foreign Minister Consalvi, Venezuela will contribute, as best as it can, to the consolidation of democracy in a process that is not free from serious political, economic, and social problems.

Since the fall of Jean-Claude Duvalier, a National Council of Government, headed by Henri Namphy as president, has been in power in Haiti. A private meeting between Consalvi and Namphy is scheduled.

Political and diplomatic media, especially at the Venezuelan Foreign Ministry, view this meeting as important because it is the first time a Venezuelan foreign minister has gone to Haiti in an official capacity.

FINANCE MINISTER COMMENTS ON DRAFT BILLS TO CONGRESS

PA211418 Caracas Television Service in Spanish 0000 GMT 20 Aug 86

[Text] The Finance Minister, the president of the Congress, the president of the Democratic Action [AD], the AD'S deputy national secretary, the AD'S congress faction director, and the presidents of the domestic policy commission and (?mines) commission of the Chamber of Deputies, met today to discuss the draft bills presented to the National Congress during its extraordinary sessions.

Following the meeting, AD President Gonzalo Barrios stressed that he feels that the economic matters to be discussed during this extraordinary period are important. These economic matters are aimed at reducing Venezuela's fiscal deficit. [recorded passage indistinct]

Finance Minister Manuel Azpurua elaborated on his views and said that each of the draft bills presented has its own objective.

[Begin recording] The fiscal draft bill will help cover the fiscal deficit that has resulted from the decrease in our fiscal revenue from our oil exports. Regarding the other draft bills, these complement the need and objective sought by the executive branch. The executive branch is trying to transfer and sell, to the private sector, some of the nonbasic enterprises. The amendments to the ground transportation law seek to implement a mandatory third party liability insurance and to place the Traffic Police Corps under the Metropolitan and State Police and the National Guard. [end recording]

Finance Minister Azpurua also said that from the very beginning, the government drafted an economic plan and that the goals of this plan are to achieve a balance in the foreign accounts. He said that this has been achieved. The government also seeks to achieve a fiscal balance.

[Begin recording] We have been working in this sense and we are achieving positive results. According to the information provided by the Central Bank, after a process of economic stagnation, in 1985 we reported a slight domestic growth of 0.6 percent. This year, according to Cordiplan [Office of Coordination and Planning] and the Central Bank, we should show a 2 percent growth. [end recording]

Minister Azpurpa stressed that we must maintain ourselves within a policy of discipline and fiscal austerity. He added that we must do our best to correct the deficit that has resulted from a decrease in fiscal revenue due to the oil situation.

OIL REVENUES DROP BY 21.14 BILLION BOLIVARES

FL212256 Mexico City NOTIMEX in Spanish 2206 GMT 21 Aug 86

[Text] Caracas, Venezuela, 21 Aug (VENPRES-NOTIMEX) -- It was announced here that Venezuela's oil revenues reflect a drop of 21.14 billion bolivares (approximately 7 units equal $1) compared to what had been initially budgeted.

The Council of Ministers today studied the situation and decided to reduce the budget of Venezuela's investment fund by 1.5 billion bolivares.

The drop in the price of oil has affected OPEC countries, Mexico, and some states in the United States, where the crisis has left thousands of workers unemployed.

In the case of Venezuela, the austerity measures and savings ordered by the government of President Jaime Lusinchi have avoided serious consequences, stated Carmel Lauria, minister of the secretariat of the presidency.

Lusinchi had to cut expenditures and maintain strict supervision over the fulfillment of austerity measures, without transferring great sacrifices to the popular sectors.

BRIEFS

MARIJUANA PLANTATIONS DESTROYED -- Maracaibo, 13 Aug -- Marijuana plantations found in the Perija mountain range are being destroyed in a special National Guard operation. The regional command of the Armed Forces of National Cooperation has begun the destruction of plantations in the jungle area on the border with Colombia where special action groups found marijuana plantations that cover approximately 9,000 hectares. National Guard General Corredor Ruiz reported that so far they have destroyed 1 million marijuana plants and the task to discover new plantations continues with the support of Venezuelan Air Force helicopters. [Summary] [Caracas EL UNIVERSAL in Spanish 14 Aug 86 p 4, 31 PA]

DEA OPERATIONS HAVE NO OFFICIAL SUPPORT

FL212059 Mexico City NOTIMEX in Spanish 1722 GMT 21 Aug 86

[Text] 21 Aug, (NOTIMEX) -- There is no existing agreement allowing the U.S. Administration's Drug Enforcement Agency [DEA] to operate in Mexico. The operations carried out by DEA agents do not have Mexico's official support.

Mexican Foreign Secretariat sources arrived at this conclusion after extensively reviewing agreements and documents that could authorize the presence of the DEA in Mexican territory.

The Mexican Foreign Secretariat denied the journalist's versions since the DEA does have permission to conduct investigations in Mexico.

On Tuesday, at the request of the governing PRI, the Permanent Commission of the Congress approved a request to the Foreign Secretariat Commission of the Senate asking for information on the status of DEA operations in the country.

REPORT ON ECONOMY GIVES BRIGHTER OUTLOOK

PA211609 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 21 Aug 86

[Text] The Finance and Public Credit Secretariat and the Programming and Budget Secretariat asserted today that after 3 years of efforts by the present administration, the economy has more solid and secure bases to confront its problems.

The two secretariats submitted the report to the Chamber of Deputies on the status of the economy and public finances for the second quarter of 1986. The report contains a detailed explanation of the manner in which the Mexican economy has been coping with the foreign maladjustments that have impacted the domestic finances and production structures.

The situation is more solid than it was in late 1982. It is far better than in 1982 despite the drop in oil prices this year.

Bankruptcy of production apparatus has been prevented; new jobs have been generated. Inflation has been under control and reduced to levels below those of 1982.

Public finances are noticeably healthier. Disregarding interest payments, there is a surplus [superavit] in public spending of almost 6 percent over the gross internal product. [sentence as heard] This is unprecedented in the history of Mexico's public finances. Food production and housing construction reached record levels.

The crisis has been kept from further affecting real wages. In addition, important processes have been carried out regarding structural changes. The document notes that the current inflation and recession have resulted from the collapse of oil prices and not from the government's strategy or an absence of efforts by the social and private sectors. For this reason it is a mistake to try to attribute to the government's actions something that results from changes in reality.

Contingency Loans Requested

FL210314 Mexico City NOTIMEX in Spanish 0208 GMT 21 Aug 86

[Excerpt] Mexico, 20 Aug, (NOTIMEX) -- The Finance Secretariat has reported that Mexico has asked the international financial community for contingency loans totalling $1.6 billion to strengthen its international reserves.

Gustavo Petricioli, finance and public credit secretary, sent a communique on this matter to the international financial community.

The loan includes $1.1 billion from the United States and the central banks of 15 European countries, Japan, and Latin America. The remaining $500 million will be provided by creditor countries.

Petricioli explained that $850 million will be disbursed immediately and the remaining $750 [million] will be disbursed after a commitment is reached with the trade banks participating in the contingency loan. [passage omitted]

Citibank Grants Bridge Loan

PA202056 Mexico City XEW Television Network in Spanish 1300 GMT 20 Aug 86

[Text] (William Rhodes), vice chairman of Citibank and co-chairman of the Mexico Banking commission, said in Manhattan that commerical banks will give Mexico $500 million as part of the bridge loan to face short-term financial commitments. The decision to recommend to Mexico's creditor banks to participate in this contingency credit was officially disclosed in New York.

(Rhodes) also noted that the cost of the bridge loan will be at an interest rate slightly above seven percent. The banking commission said Mexico will pay commerical banks after it has received the first reimbursement of the financial package negotiated for 1986 and 1987 totalling $12 billion.

GOVERNMENT ASSUMES PART OF CFE FOREIGN DEBT

PA211755 Mexico City XEW Television Service in Spanish 1300 GMT 21 Aug 86

[Report by Francisco Fortuno]

[Excerpt] Yesterday President Miguel de la Madrid signed, as an honorary witness, an agreement in which the government assumes approximately 80 percent of the Federal Electricity Commission's [CFE] foreign debt, totaling approximately $8 billion.

President Da la Madrid said the federal government admits that a large part of the foreign debt acquired by the electricity sector was the result of a backward tariff policy that called for excessive subsidies to consumers.

[Begin De la Madrid recording] The federal government is not granting the electricity sector a gracious or gratuitous concession by assuming a large part of its debts. It is recognizing a reality and correcting an error. [end recording]

De la Madrid said that we must continue to realize that electricity must cover operational costs, and that they must even produce a profit for investments on a medium-term basis. He mentioned the need to diversify the sources of energy in the world, as oil reserves will eventually be consumed. De la Madrid stressed that the annual energy production growth during the past 4 years surpassed 5 percent, a percentage higher than the economy's general growth, which made it possible to meet the additional demands. President De la Madrid presided over a working session at the CFE's Technological Museum, during which a report on the progress achieved in the electricity sector between 1983-86 was presented. There were seven speakers.

Alfredo del Mazzo, secretary of energy, mines and parastate industry said that despite the crisis, the government has assigned a large sum for improvements in the electricity industry, thus guaranteeing the service and increasing productivity levels.

[Begin Del Mazzo recording] It is worth mentioning that Mexico is self-sufficient in electricity production, and that the corresponding trade balance is favorable. [end recording] [passage omitted]

FRENCH AUTO COMPANY TO CLOSE OPERATIONS

FL211805 Mexico City NOTIMEX in Spanish 1557 GMT 21 Aug 86

[Excerpts] Mexico City, 21 Aug, (NOTIMEX) -- Renault Mexicana S.A. has announced it will withdraw from the market and lay off 54 percent of its employees. In 1985, the company registered losses amounting close to 20 million pesos and reporting over 50 percent drop in its sales during this year's first 6 months. This was announced by Renault's director general (Mitchell Brussad), who noted that production had completely stopped 2 months ago and its workers were collecting only 70 percent of their salaries. [passage omitted] Labor sources indicated that the main cause of the bankruptcy was poor management practices of the French, who had high salaries paid in U.S. dollars.

MARITIME AGREEMENT WITH NETHERLANDS IN EFFECT

FL211740 Mexico City NOTIMEX in Spanish 1546 GMT 21 Aug 86

[Excerpt] Mexico City, 21 Aug, (NOTIMEX) -- Mexico and The Netherlands have agreed to facilitate, speed up, and cooperate with maritime traffic in line with an agreement signed in October, 1986 [as received], which will be in effect this month. The Foreign Secretariat [SRE] today announced the maritime transportation agreement between Mexico and The Netherlands, signed in The Hague on 18 October, 1984. [passage omitted]

BRIEFS

NEW AMBASSADORS' CREDENTIALS -- Mexico City, 21 Aug, (NOTIMEX) -- During a ceremony held at the national Palace's Hall of Ambassadors, President Miguel de la Madrid has received the credentials of the new ambassadors from several countries: Rodney Denham, New Zealand; Dimitur Aliev Lazarov, Bulgaria; Jose Ayax Zuniga Telleria, Honduras; and Amante r Manzano, Phillipines. President Miguel de la Madrid was accompanied by Foreign Secretary Bernardo Sepulveda, his private secretary Emilio Gamboa Patron, and presidential chief of staff division general Carlos Bermudez. [Summary] [Mexico City NOTIMEX in Spanish 2217 GMT 21 Aug 86 FL]

COLOMBIAN MINISTER GETS AWARD, CABRERA ON AID

PA201439 Panama City Panavision Television in Spanish 0000 GMT 20 Aug 86

[Report by Rey Barria]

[Text] The Panamanian Foreign Ministry this morning awarded new Colombian Foreign Minister Julio Londono Paredes the Order of Vasco Nunez de Balboa in the grade of the Grand Cross. Prior to being appointed foreign minister, Londono Paredes was Colombian ambassador to Panama. Questioned by the local and foreign press about international topics, Londono Paredes indicated it was not the proper time for such topics:

[Begin Londono Paredes recording] At this time I only want to express my deep affection and admiration for the Panamanian people and their pleasant and generous country that will be remembered deep in my heart, a feeling that I am sure is shared by many Colombians here in Panama. [end recording]

On his part, Panamanian Deputy Foreign Minister Jose Maria Cabrera referred to the recent U.S. approval of $100 million for the Nicaraguan contras and to the Contadora Group efforts:

[Begin Cabrera recording] We definitely believe that this does not in any way help the process for a peaceful solution of the Central American crisis. Any funds, aid, or help that promote violence will only heighten tension and increase the price in blood that Central America is paying, and they are a clear and important obstacle to the process of peaceful negotiation. [end recording]

The Panamanian Deputy Foreign Minister also denied increasing rumors about the establishment of diplomatic relations between Panama and the PRC.

PERUVIAN ENVOY: PIA VESTA WEAPONS FOR EL SALVADOR

PA220034 Panama City ACAN in Spanish 1511 GMT 21 Aug 86

[Text] Panama, 21 Aug (ACAN-EFE) -- Peruvian Ambassador to Panama Javier Ortiz de Zevallos has affirmed that the weapons transported by the Danish ship Pia Vesta were bound for El Salvador, not Peru.

Ortiz de Zevallos said: "For us, the official word has been given by Panama that the destination (of the weapons) -- and this has been proven with documents -- was El Salvador."

The Pia Vesta was seized on 14 June in Panamanian territorial waters with more than 100 tons of war materiel; the destination of the weapons is still unknown.

Ambassador Ortiz de Zevallos said that he "is absolutely sure that neither the Peruvian Navy nor the Armed Forces had anything to do with this matter."

Ortiz de Zevallos emphasized: "They have tried to use Peru as a smokescreen to conceal the fact that the weapons were coming from Eastern Europe, to make it appear as if they were coming from South America."

He added: "We were indeed concerned about the arrival off the Peruvian coast of a ship full of weapons requested by Peru. We did not know whether or not the weapons could be used in Peru. [sentence as received] We took all necessary measures to prevent the unloading of these weapons."

The manager of Terminales Chiriqui, S.A. (Techisa), Jose Fernandez, who was recently linked to the case of the Pia Vesta, said that much has been said about the weapons being transported in the ship; however, the identities of the buyer and the seller have not been disclosed.

The manager of Techisa, which is a cargo transporter, noted that the "merchandise" on the Danish ship was addressed directly to General Adolfo Blandon of the Salvadoran Army.

The Panamanian businessman said that the bill of lading only specified four wheel drive trucks and spare parts, among other products.

PRD WILL FULFILL POLITICAL PACT WITH PALA

PA211501 Panama City MATUTINO in Spanish 21 Aug 86 pp 1, 8-a

[By Jaime Beitia]

The Democratic Revolutionary Party, PRD, has decided to comply with the political pact it has with the Labor Party, PALA, on the election of Legislative Assembly presidents and vice presidents.

Sources close to legislator Alberto Aleman Boyd, a candidate to the presidency of the Legislative Assembly for the forthcoming period, have told MATUTINO that the decision was adopted following an intense dialogue among the top PRD leaders and PRD legislators.

The decision was reportedly adopted yesterday during a meeting at the Justo Arosemena Palace where it finally became possible to convince legislator Luis "Lucho" Gomez to decline his aspirations to the first vice presidency of the Legislative Assembly for the forthcoming period.

The sources also said that at yesterday's meeting, the legislators of the governing party bench reiterated their support for the candidacy of PRD legislator Alberto Aleman Boyd, who also has much backing from the other parties that compose the National Democratic Union.

Legislator Camilo Gozaine, president of the Legislative Assembly, has stated that the PRD will comply with its commitment with PALA. According to that commitment, PALA is to have the next first vice presidency post. Gozaine admitted that the PRD had assumed a mistaken position by not having acknowledged the political pact.

ARIAS SANCHEZ' 100 DAYS SPEECH TO NATION

PA210045 San Jose Domestic Service in Spanish 0102 GMT 20 Aug 86

[Speech by President Oscal Arias Sanchez; place not given -- live]

[Text] Costa Ricans: Friday marked the end of the initial 100 days of this administration's efforts. They were not easy days. The practices of the past -- good or bad -- apparently seek to impose themselves at the outset of every administration, as if nothing had to change.

There are pressures to increase prices, to increase salaries, to keep or acquire privileges, to occupy public posts. How I wish the demands of friends and the opposition of the adversary ended on election day! How I wish antagonisms would become commitments to help the country solve its problems! I know this is not easy, but it is worth trying again and again.

Today I reassert my belief that it is more important to build bridges than to erect walls. It is better to build together than to deepen the discord that divides and weakens us. Tonight I want to reiterate to you, first of all, my commitment to work tirelessly for Costa Rica's good. I will continue to encourage every initiative, regardless of its source, so long as it can be of benefit to the country. I will ask for cooperation from anyone wishing to help solve Costa Rica's problems and contribute to the nation's development.

In the name of Costa Rica I demand the right to work to implement the political program which the people approved during the recent elections. In the name of our homeland I ask that we work together to achieve all campaign promises, for which Costa Rica is waiting: to preserve peace; to resolve the housing problem; to establish morality in public and private activities; to guarantee employment to every Costa Rican; to dignify the family; to incorporate women and youths into the nation's activities; to rebuild the economy; to [word indistinct] political power; to promote economic democracy; and to (?reduce) the expenses of the political campaign.

In the name of the people I demand good faith in political struggles. For this reason I demand, with equal vigor, the right to make the will of the majority a reality, because otherwise we would be betraying democracy and flouting the most sacred part of our political coexistence. During these initial days of my administration we have centered our efforts on setting into motion the initial tenets of the political campaign. We felt it necessary to strengthen the best values we have inherited from our ancestors, which undoubtedly include honesty, sincerity, devotion to work, reaffirmation of Costa Rica's nationality, and humility. Our style of government draws its inspiration from them. We must wage a long and tenacious struggle to strengthen these values fully within our behavior.

We are working for these principles. This does not involve spectacular action or [illegible] hopes. We want a permanent attitude to permeate all of us -- the public and private sectors -- allowing us to work over and above political partisanship and to feel proud that we are making Costa Rica great. This is a call to work for honesty and to establish clear-cut rules for the public sector. I have received broad cooperation from all Costa Ricans in fighting wrongdoing. The government has begun to take action on various fronts, simultaneously and with equal determination in all of them.

We do not seek to blemish the honor of innocent people or to make the front pages of the newspapers. We seek to punish the wrongdoer in order to rebuild confidence in our public institutions and private activities, as well as (?faith) in our political parties. We have strictly adhered to our laws in every step. The country can be absolutely certain that we feel we are zealous guardians of honesty.

In another front in this same struggle, we are fighting drug trafficking with full vigor. The country has seen how we have confiscated large shipments of cocaine, destroyed extensive marijuana plantations, and captured dangerous criminals and drug traffickers during these past initial weeks. We know that this is not enough. We are drafting new legislation on this subject to be able to organize (?our resources better) and to apprehend the guilty more quickly and expeditiously. We are [word indistinct] the efforts of the authorities to make the fight against crime more effective. This is a national crusade. Together we can make life impossible for drug traffickers and force them to stop using Costa Rica to carry out their wicked trade. This must be our objective for the sake of our children and the dignity of our fatherland.

We are (?also going to launch) a comprehensive campaign to stringently combat contraband. [Words indistinct] to reorganize the customs system because it is necessary to protect law-abiding producers and merchants. We fight contraband because we know that, he who seeks to make easy profits by avoiding work and flouting the laws is a factor of social demoralization. We are prepared to cleanse the country of undesirable aliens. We are reviewing the files of some foreigners and the cases of some people who have acquired Costa Rican citizenship by lying about their backgrounds.

Some foreign nations who even enjoy certain privileges here are wanted by the international police. Others are engaged in activities undesirable for our country. Costa Rica must never be a haven for criminals nor tolerant toward anyone who uses its soil to engage in criminal activities. I advise the country very clearly that we will do everything within our power and will strongly act to expel all undesirable aliens who are a source of corruption in Costa Rica.

In addition to expelling foreigners in this situation, we are determined to take drastic action against Costa Ricans who are found to be accomplices to granting entry and protection to these undesirable foreigners who have so greatly harmed and are harming our country's morals.

Concerning simplicity [sencillez], we are working every day to end the ostentation in the public sector. There will be no luxury in vehicles or buildings. There will be no unnecessary trips. We will seek simplicity. One of our greatest wishes is to fully restore it and we are determined to achieve this. However, let us not confuse ostentation with decorum or moderation [as heard], or luxury with the dignity demanded by public office. The mistakes and failures of [words indistinct] must not affect our morale. We should only be concerned with tirelessly doing the work needed to reach a desired goal. We should never be afraid of rectifying and starting all over again if necessary.

Simplicity should also be the goal of the private sector. Certain outbursts of ostentation observed in that sector are not in line with our best traditions.

Inasmuch as many of these attitudes -- on the part of Costa Ricans and foreigners -- are backed by ill-conceived laws which were promoted, in some cases, by certain international officials under the pretext of international agreements or similar pacts, the abuses certainly distort the incentives given to them [not further identified] to facilitate their work, converting these advantages into exaggerated privileges for personal gain. I will soon send a bill to the legislative assembly putting an end to these abuses.

We will work tirelessly so that the simplicity of the past, the simplicity of our forefathers, will prevail in all our actions.

Devotion to work is also another crusade begun in these first few days. Costa Rica needs the best from each of us, in the public as well as in the private sector. [Words indistinct] very proud. Producing more and better work will depend on a great national effort. Our services must be of the highest quality. We are involved in an effort unprecedented in our history, the goal of which is to have our public officials' devotion to duty to be fully reflected in their actions. What we must do, we must do well, with happiness and satisfaction. The long lines of citizens at hospitals, banks, post offices, bus stops, and in many other places of service are sometimes signs of the scarcity of resources. However, all too frequently they show an insensitivity on the part of public servants. We have vowed to correct this situation.

Our government action is aimed at [word indistinct] the full meaning of devotion to work. Devotion to duty must be shown in the greatest respect for the users of these services. This is why I have asked all my collaborators in the central government and the decentralized agencies to put the greatest care and attention on substantially improving the public services.

We want to preserve and strengthen Costa Rican patriotism, our sacred inheritance. It includes all possible aspects, which are sometimes hard to define. It includes our love for freedom, the enjoyment of [word indistinct], and democracy, a deeply-rooted desire for peace, a sense of brotherhood, and many other things that unite us and make us different from other people. We must protect our special nature. Threats exist that we must face with realism. It is estimated that approximately 250,000 foreigners live among us. Many of them do not fully share the values of our patriotism, which is so much ours and so dear to us.

War conflicts, intense ideological struggles, and the constant violation of human rights in neighboring countries have forced men, women, and children of those nations to seek refuge among us.

Our laws to admit foreigners and to grant them citizenship were passed foreseeing economic and political situations common to our nations. These laws do not address the massive immigration of families from other countries, seeking peace in Costa Rica. These laws were formulated without considering that thousands of people would be seeking citizenship in a short time.

Ours is a small country, exceptional in many respects, but we must prudently preserve the balance which makes us different. A constitutional amendment is under debate which will make it even more difficult to obtain Costa Rican citizenship. It is an urgent and necessary amendment. However, it will be some time before this bill can be passed. I have asked the authorities in charge to be particularly careful in processing naturalization papers.

I want to talk about what used to be one of our best characteristics: humility. Nothing we do will be good enough unless we do it humbly. We despise arrogance. The legal system that prevails in Costa Rica demands that everyone comply with the law. To apply the laws in the same manner to the weak and powerful is the strength of public officials, who can and should be humble in dealing with the public, always according to the law.

Humility guides the government's actions. During the past 100 days, we have implemented specific actions to awaken and strengthen the principles we believe in and so proudly inherited. We want to deliver to the new generations these enriched principles; and this, we will do. We work daily for these principles. I will accept the temporary failures we have as flaws of my administration. But, I want us to celebrate as a victory of Costa Rica the achievement of what we set out to do.

The challenge we overcame just yesterday was to stop the catastrophe which threatened to destroy all we had achieved during many years of work. The challenge we are facing today is to build a new economy. We plan to correct imbalances and to confront the negative traditions.

There are imbalances in financing our expenses and in our commercial account. We owe a lot of money abroad which we are obligated to pay, and we intend to. We have drafted a new proposal which we will submit to our creditors.

I reiterate here my promise to find a Costa Rican solution for the establishment of a new economy. We are holding talks with public institutions and with representatives of the productive sectors. We have been talking to businessmen and workers. We have to establish a more efficient economy. We should not be just seeking new markets. If we increase and improve our production, we will be improving the living standard of Costa Rican consumers.

Three years from now it will be a century since we established a democratic system. Unfortunately, this is an anniversary that many sister countries of the continent cannot celebrate. What makes us different from other countries? Many things. Tonight, I will only mention one: the survival of small properties. The small farmer and industrialist is the fundamental pillar of our democracy. Let us not think otherwise. The day they vanish, our democratic system will also vanish.

Each day the world becomes more competitive, demanding more efficiency in order to survive. The answer is [words indistinct] obligation to the cooperative. I reiterate once more my desire to help in every way possible so small property owners can organize strong and efficient cooperatives.

In the agricultural field, I have said that the technical aid the state offers should be exclusively for small and medium-size farmers, giving priority to those organized in cooperatives and other types of organizations. For fairer distribution of aid for agriculture, price policy should not be used to hurt producers, but neither should it grant them excessive subsidies by approving prices much higher than the prices in the international market.

Prices should be used as incentive mechanisms to increase production. On the other hand, they should not be a heavy burden for local consumers. We are fighting inflation. The success of this struggle will depend on whether we can improve the standard of living of every Costa Rican. Wages should always be higher than prices. I feel that if we act responsibly, we will achieve our objective and in May 1990 every family in Costa Rica will be in better socio-economic conditions than now.

Our people have proven their will to achieve greater transformations in the country. They did it when they decided to launch the education and health campaign. Today, this will is again expressed with the solution of the housing problem. These first days of my government confirm that we are going to be successful in our efforts.

I also want to speak to you tonight about peace. Costa Rica wants to share its desire for peace with other nations. Costa Rica believes that only democracy can put an end to wars among brothers. The Latin American continent is tired of useless violence. It is tired of groups of both political extremes claiming that they represent the majority. It is tired of seeing small groups of fanatics taking over the liberating struggle of entire nations.

More than ever Latin America needs to work in peace and freedom to generate wealth and fight poverty. More than ever the use of hatred to promote violence negates our Christian upbringing. More than ever we renew our confidence in the possibility that our problems can be solved with freedom.

Peace in Central America is threatened by the Nicaraguan dictatorship, by Somoza's heirs, by those who were afraid of their people's freedom and replaced the old tyrant in order to swear loyalty to the Marxist empire.

All Western European countries bordering on the communist world spend millions of dollars on defense. They form costly military alliances to prevent communist expansion. Costa Rica is the first country without armed forces that borders on the Marxist world. The Costa Rican Government is making the necessary efforts to find a peaceful solution in Central America. We trust the diplomatic efforts will [word indistinct] to return to the Nicaraguan people the fruit of their liberating struggle: democracy.

(?In regard to) the conflicts in the region, Costa Rica applies the strictest neutrality. We do not permit our national territory to be used for military actions. We do not believe in this type of solution, and we have said so to our best friends and allies in the international arena. We have given unequivocal proof of our desire for peace and our willingness to practice our neutrality.

No one should be surprised by our determination to continue this policy. It is the mandate of a democratic and peace-loving people. We maintain the policy of expelling any foreigner who collaborates with war activities. We will also punish, with all the severity of the law, those Costa Ricans who participate, promote, or permit these activities.

These actions in our territory are very dangerous for our peace. In addition, they are a source of corruption that fosters arms trafficking and permits easy connections between this type of trafficking and (?the no-less-dangerous) drug trafficking. Any foreigner linked with armed struggles underway in other countries will lose his political asylum in Costa Rica. Those with these ties will not receive political asylum either. Costa Rica's neutrality must be respected by all nations and all persons.

In May I attended the meeting of Central American presidents in Esquipulas. Later I attend the inauguration in Colombia. On both occasions, as I reported to the press then, when I met with the other presidents I clearly explained my decision and views about the Central American situation.

Costa Rica's position cannot be more clear. We will be neutral, and we will see to it that this neutrality is respected. Only democracy can guarantee an era of peace in Central America and Latin America.

I also emphasized our Latin American spirit, which favors a true democracy for all the nations of the continent. [Words indistinct] Costa Rica will work tirelessly for these objectives. The most sacred mission of your chief of state is to keep Costa Rica out of the war that is approaching Central America. Let none of our children die in wars which are not ours.

Once more Nicaragua has chosen the path of obstructing the Contadora dialogue by accusing us -- for purely propagandistic objectives -- at The Hague International Court. Costa Rica does not shun the courts; we trust in justice. We will go to that court to defend the honor and dignity of Costa Rica, which, in addition, has great support among the democracies of the world.

Costa Ricans, things never before seen are taking place these days. A woman is presiding over our Legislative Assembly. For the first time, a woman served as the acting president of the republic. More than coincidence, these are signs that men and women in Costa Rica will be sharing on an equal basis from now on the administration of the country's destiny.

The laws which discriminate against women will be abolished in this administration. The bill guaranteeing the full equality of women will be approved by this government. Young people have been appointed members of the cabinet. The schools are preparing the changes that will open the doors to new technology.

There are conflicts between workers and bosses, and between producers and consumers. I have called for a special kind of conciliation, in which dialogue is the only solution to the Costa Rican problems, so that we all share in making the necessary sacrifice to solve the nation's crisis and move forward along the path of reconstruction. On this path, there is no room for unlawfulness or violence. I am not going to yield to the selfishness of groups who want more privileges. There are practices we must change and we are going to change them.

As I said many times during the political campaign, and I reiterated in my inaugural speech, we are going to do everything possible on behalf of the poor. I also reiterate my faith in the Costa Rican people [words indistinct]. We have begun the task you gave us. Our duty in the role of government will make our democracy greater.

Thank you. Good night.

EL SALVADOR

GOVERNMENT-REBEL TALKS CONTINUE IN MEXICO CITY

FMLN-FDR Leaders Comment

PA211505 Mexico City XEW Television Service in Spanish 1345 GMT 21 Aug 86

[Report on interview with FMLN-FDR leaders Salvador Samayoa and Jorge Alberto Villacorta in Mexico City by Rita Ganem: date not given -- recorded]

[Text] [Ganem] The third dialogue between Salvadoran guerrilla leaders and government representatives could take place in San Salvador in the near future. However, this will depend on the the agreements reached between the government and rebel representatives currently meeting in Mexico City. FMLN-FDR delegates Salvador Samayoa and Jorge Alberto Villacorta have said that the most difficult point to be discussed will be establishing the security mechanisms for the third dialogue.

[Unidentified FMLN-FDR representative] President Duarte is defending an argument by which he guarantees with his life the security at the meeting; however, we feel that this argument is simplistic, because there are also people interested in harming President Duarte, both politically and physically. Therefore, this is not a solid argument. We would ask for more elaborate security mechanisms, and this could be a problem.

[Ganem] Samayoa and Villacorta added that the conditions for a military truce will have to be established. Regarding an eventual exchange of prisoners, they said that a mutual gesture of goodwill has been proposed, by which the government will release prisoners or missing people in exchange for Colonel Omar Napoleon Avalos, who is currently a prisoner of the guerrillas.

The rebel delegates met with the press at an office located in the Condesa neighborhood. The site of the meeting here in Mexico City has not been disclosed. However, Salvadoran Ambassador to Mexico Sigfrido Moines has admitted that it could be in a hotel in the capital. It has been said that the meeting could last 2 or 3 days and that the results will be made known afterwards.

Samayoa and Villacorta were optimistic about reaching an agreement to facilitate the next meeting. They said that the United States is hampering the pacification process with its direct military intervention. They noted that the Salvadoran civil war has resulted in more than 60,000 dead, and at least 1 million people have been displaced or have become refugees.

Pena on Meeting, Communique

PA212132 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 21 Aug 86

[Telephone interview with FMLN-FDR spokesman Gerardo Pena from Mexico City by correspondent Raul Beltran -- live]

[Text] [Beltran] In this regard, as this document and proposal [referring to an FMLN General Command communique published in the 21 August Latin America DAILY REPORT on page P 11] came after the private preparatory meetings in Mexico City, what is the atmosphere prevailing there? What was the exact time when the talks were resumed today, the 2d day of the dialogue in Mexico City?

[Pena] The meeting began yesterday at 1745 and ended at 2100. It was resumed today at 1100. The meeting took place in a positive atmosphere, and we hope we will reap good results.

[Beltran] Mr Pena, will this communique or proposal be presented to the government or governmental delegation with which the FMLN-FDR, through mediator Msgr Arturo y Damas, will continue to meet there in Mexico City?

[Pena] Yes, the communique clarifies and defines the FMLN's position on the need to release people who have been unjustly detained.

[Beltran] In this case, could we say that should this demand not be satisfied, the release of Colonel Omar Napoleon Avalos could actually be postponed until new agreements between the government and your delegation in Mexico are reached?

[Pena] We believe that this issue must be defined in our negotiations.

[Beltran] According to your perceptions there in Mexico, how much longer do you think your meetings with the government delegates will last?

[Pena] We hope to make as much progress as possible on the agenda in our meeting today. Should we not finish, we will continue tomorrow.

[Beltran] Anything else to add during this direct report from Mexico via the YSKL radio network, in your capacity as an FDR-FMLN delegate? Go ahead.

[Pena] That is all for now, I believe.

Duarte: Lay Down Weapons

PA220251 Panama City ACAN in Spanish 0205 GMT 22 Aug 86

[Excerpts] San Salvador, 21 Aug (ACAN-EFE) — President Jose Napoleon Duarte today reiterated that "the guerrillas must put down their weapons and join the democratic process, and then we will talk and talk a lot." At an impromptu news conference at the Legislative Assembly today, Duarte said that for the private talks with the guerrillas, he appointed "the most important delegation I could ever have appointed, because even the vice president is a member." [passage omitted]

President Duarte said: "My stand remains the same. It is high time the rebels admitted that they are hurting the people." "I insist," Duarte said, "that it is the time for them (the guerrillas) to join the historic process and continue with this democratic revolution which we are carrying out. This is a revolution that is not easy, that cannot be accomplished in 1 day, because we have to deal with all kinds of problems."

Duarte stressed: "When the guerrillas join the democratic process, at that very moment, we will have much to talk about. We can talk then about amnesty, a truce, and everything they want, but they must define their position." "They must decide if they want peace. They must put down their weapons and join the democratic process. They must respect the country's institutional structure."

Regarding the truce proposed by the guerrillas during the talks, Duarte said: "A climate of dialogue must be created, but I cannot allow them (the rebels) to blow up the national palace or something like that."

"We need to have the right conditions for the dialogue, but without reaching the extreme of endangering or neglecting national security," he added. [passage omitted]

Oqueli on Duarte Stance

PA211818 San Salvador Radio Cadena YSU in Spanish 1730 GMT 21 Aug 86

[Report by SALPRESS reporter from Mexico City -- live or recorded]

[Excerpt] [Passage omitted] As for statements made by President Duarte rejecting the truce proposed by the rebels, FDR's Hector Oqueli said the following in Mexico;

[Begin recording] In that regard, Duarte showed his limitations and the conditions with which he is working on the dialogue and that are being imposed on him; they show that he is a prisoner of the military. [end recording]

The rebel leader added that the fronts are not closed to the possiblity of resuming the dialogue outside San Salvador, but they believe that the capital offers better conditions to ensure security and popular participation during the meeting.

Samayoa: Atmosphere 'Positive'

PA211750 San Salvador Radio Cadena YSU in Spanish 1635 GMT 21 Aug 86

[Francisco Espinoza report; broadcast in progress]

[Text] [Espinoza] ...the Armed Forces cautioned today that, making a goodwill gesture, it has proposed an exchange of prisoners and will take to the negotiating table all the cases that popular organizations and relatives of prisoners have presented to the church. There are 942 such cases. Talks between Salvadoran Government and FMLN-FDR representatives began yesterday in Mexico. The purpose of the talks is to prepare a round of negotiations to be held in El Salvador.

On petitions from the church, the FMLN has agreed to discuss the exchange of Colonel Omar Napoleon Avalos -- who was captured by guerrillas -- for prisoners of the Salvadoran Armed Forces. However, according to reports, the rebels refuse to select 50 persons out of the list of 942. The church has asked them to select 50 persons, but the rebels said publicly today that if they negotiate on this it would be for all the cases.

Salvador Samayoa, who in the company of Jorge Villacorta is meeting in private with the official representatives of El Salvador at an undetermined location in Mexico, has said in this regard and in regard to the meeting that the FMLN-FDR and the government delegation is holding in Mexico prior to the third meeting, that the outlook is favorable. Because of the importance of this matter, we have Salvador Samayoa on a direct line from Mexico. What can you tell us about the meeting with the Salvadoran delegation?

[Samayoa] Yes, the meeting began yesterday at 1745.

[Espinoza] Regarding that meeting, which began late because of the delay of Vice President and Foreign Minister Claramount, do you have any new information?

[Samayoa] I can only tell you a few things. The first is that yesterday we had a working session. It lasted approximately 4 hours. There is a recess now. We will renew the meeting today at 1100. Yesterday the two sides agreed that neither would reveal the contents of the discussions until there is the possibility of reaching an agreement. The atmosphere has been positive.

[Espinoza] Did you discuss anything about the proposed truce?

[Samayoa] No. I believe that the government's delegations has some restrictions about discussing that, as President Duarte said yesterday.

[Espinoza] This means that the same is true in the case of Col Avalos. Did you discuss that subject during the meeting?

[Samayoa] That subject would be discussed outside of the meeting, if it is discussed. Yesterday we had only an initial working session. We have not yet discussed all the subjects of the meeting.

[Espinoza] Could we conclude that the meeting has been favorable for the two sides?

[Samayoa] I believe that so far the atmosphere has been positive. I could not say whether a general agreement will be possible; but the atmosphere is positive at this moment.

[Espinoza] How long do you think these talks will continue?

[Samayoa] It is probable that the talks will conclude tomorrow, 22 August.

[Espinoza] Would you file a report tomorrow, or will secrecy continue?

[Samayoa] No, we would keep no secrets. At the end of the meeting we would have to report to the people whether an agreement had been reached or not. We would inform the media also, of course.

[Espinoza] This was Salvador Samayoa speaking about the meeting that the government and the guerrillas are holding at an undetermined location in Mexico. According to the guerrilla's representative, the meeting will begin in exactly 1 hour and tomorrow afternoon there may be an announcement on the site and date for the third meeting proposed by President Jose Napoleon Duarte.

Blandon on Dialogue, Prisoners

PA212118 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 21 Aug 86

[Text] This is our report on General Adolfo Onecifero Blandon, chairman of the joint chiefs of staff, who has commented on the preliminary talks in Mexico. In addition, he has given extensive details on the removal of 36 families in the area of Sacatecoluca. Gen Blandon said that these families have been transferred elsewhere for security reasons.

Here is an excerpt of the interview:

[Begin recording in progress] [Reporter] ...regarding Colonel Omar Napoleon Avalos. What can you tell us about that?

[Blandon] There is a commission, chaired by General Rinaldo Golcher and including other chiefs, which conducts a daily review of the background and new material regarding Col Avalos. Still, at present, I could not give any exact information on the procedure, because I do not think it is appropriate. That is up to the commission chaired by Gen Golcher.

[Reporter] [Words indistinct] policy, general, that is, to make the exchange, in other words, to release the (?prisoners). There are an estimated 900 political prisoners they are asking for.

[Blandon] I do not know the exact number of political prisoners they are asking for. At any rate, no matter what the number, we must properly review the situation in order to give an appropriate response.

[Reporter] General, how does the top command view the meeting in Mexico? There were (?rumors) that President Duarte had ruled out the possibility of a truce during the third round of talks.

[Blandon] I do not know the specific topics under discussion in Mexico. I would not like to venture an opinion that may prove detrimental to the meeting. Therefore, I do not have specific information. I could not...[changes thought] I decline to comment on the [word indistinct].

[Reporter] Regarding the third round of talks, the rebels have proposed a cease-fire. As Armed Forces chief, or rather the chairman of the Joint Chiefs of Staff, would you be prepared to do likewise?

[Blandon] The president of the Republic is handling the matter of the topics to be discussed during the third round of tlaks. Therefore, he will make the more important decisions. Keep in mind that we are his subordinates; he is the commander in chief of the Armed Forces, and he decides national policies.

[Reporter] As a knowledgeable person, would you be able to accept the cease-fire?

[Blandon] Knowledgeable about what?

[Reporter] In other words, general, in the past, in December to be specific, the government accepted the church's request for a cease-fire. Then some military chiefs said there was no cease-fire and that they were totally unaware of that agreement. One gets the impression that the military chiefs have the final decision on whether or not there is a cease-fire.

[Blandon] We have a constitutional duty, which is security. When dealing with this, political and military aspects become involved. We cannot neglect our mission, that is, the security of the country. In that case, [words indistinct].

[Reporter] Regarding the "United To Rebuild Plan," that has been announced for the past 3 months, to date we do not know whether or not it has been implemented, or if has not been implemented due to a lack of support. Has it had support?

[Blandon] We do have support for it. The drafting of some government documents has been delayed, but we have been working on it. We have inaugurated and concluded three seminars at the national level. In these seminars, promoters from various government projects receive instructions as to how they are to handle the campaign. I understand that the president will shortly announce the start of three major projects in the country. He wants to start the campaign personally. [end recording]

General Blandon also urged all private enterprise representatives not to politicize the "United To Rebuild Plan." He said: I want to motivate private businessmen. We need to be united now in order to achieve peace in our country.

DUARTE DENIES CONTRAS TO TRAIN IN EL SALVADOR

PA220029 Paris AFP in Spanish 2217 GMT 21 Aug 86

[Text] San Salvador, 21 Aug (AFP) -- President Napoleon Duarte denied today that U.S. soldiers will train Nicaraguan rebels here in October, as reported today by U.S. officials.

When consulted by AFP, Duarte said: "I do not know anything about it, and if such is the case it is not true. It is speculation."

According to reports from Washington, Green Berets from the U.S. Army will train the counterrevolutionaries in El Salvador, Honduras, and Panama as part of the military aid of $100 million approved by U.S. Congress.

Meanwhile, President Duarte went to the Legislative Assembly at noon today to ask permission to travel to the United States, where, he said, he will try "to make the U.S. Government and congressmen understand that we are not fighting only for El Salvador, but for democracy in Latin America." Duarte said that the United States is discussing a new budget, which calls for a 30-percent reduction in foreign aid.

This means, he added, "$150 million less in aid for El Salvador, which would put us in a very difficult situation, even just to get by." In Duarte's opinion if the U.S. budget is cut, "it will mean that foreign military aid will end in 3 years."

Duarte emphasized that El Salvador's foreign policy should be more aggressive, and it should be carried out within the framework of the war, "because an international defeat could cause instability in the country." Duarte's trip to the United States and Central American countries was criticized by the Salvadoran Legislative Assembly, to the extent that the congressmen of the rightist Nationalist Republican Alliance, ARENA, left the room.

Also today, Duarte handed labor leader Rodolfo Prieto, who was arrested on Wednesday by the police, over to his family.

Prieto, secretary general of the National Administration of Waterworks and Sewers, ANDA, was arrested for alleged links with the guerrillas but was released today by Duarte at the Government House when he was proven innocent.

GUATEMALA

U.S. 'INTERVENTION' REJECTED IN ANTIDRUG WAR

PA211430 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 21 Aug 86

[Text] The government minister has said at a news conference that the Guatemalan Government will not permit U.S. military intervention in Guatemalan territory, nor that of any other country, in actions against drug trafficking or marijuana and poppy propagation. He said that the government has taken measures to prevent drug trafficking and to fight it with the resources it has, which have so far been sufficient. Under no circumstances will it permit the presence of foreign military forces to destroy plantations with paraquat, as was done in Bolivia.

HONDURAS

AZCONA DEFENDS CABINET, ADMINISTRATION EFFORTS

PA201505 Tegucigalpa Voz de Honduras Network in Spanish 1543 GMT 19 Aug 86

[Statement by President Jose Azcona Hoyo; date and place not given -- recorded, broadcast in progress]

[Excerpts] ...the debate over the government situation, the Honduran political situation, and I share many of the criteria expressed there. However, more than a few inaccurate statements have been made as well. For example, there have been comments on and there is still insistence on changes in the Cabinet. We have repeatedly said that the government's cabinet is working, and it has not been determined yet whether there were errors in the actions taken by several ministers. If we have not accomplished more, it is because -- honestly -- it is not easy to accomplish more in an economic situation like the one Honduras is enduring. I am not referring to the situation Honduras has had in the past 7 months of Jose Azcona's government, but to the situation Honduras has been enduring for a long time.

For example, this year we expected an extraordinary year due to the coffee prices. However, coffee prices began to decline in March, and this forced us to make important adjustments in the economy. Someone, the last person who talked [not further identified], mentioned devaluation. Gentlemen, in Novemeber 1985 the lempira was at 2.80 per dollar. This has been reduced, that is, there has not been a devaluation during this government.

To the charge that there have been no efforts in economic and unemployment matters, I say extraordinary efforts have been made. However, in order to resolve those problems, many millions are required, and it is not easy to resolve them with only a few million. What is happening, and we will say it clearly, is that this government lacks a public relations office. We do not have one, we cannot have one, and we will not have one. We will face this situation without public relations because we do not have money for it. This is the truth, and we will say it clearly. This means neither that we are against the media nor are against the journalists. On the contrary, we are aware of the role they play. However, unfortunately, we cannot allocate important resources in order to have a favorable press. It is very important to mention this. [passage omitted]

Regarding education, for the first time in Honduras more than 1,200 elementary school teachers have been hired. However, are we going to resolve in just 1 year the problem of elementary education? Impossible, because 4,000 teachers would be required. We plan to hire another 1,200 elementary education teachers next year.

We will continue to promote labor. For example, no one has mentioned that 6,000 laborers have been hired by the Public Works and Transport Secretariat. Of course, some have said there are not any plans. The Honduran economy -- let's not deceive ourselves, and economists should agree with us -- is a weak and totally open economy. A decline in the price of coffee would be enough for everything to become unstable here, or an increase in the price of oil -- God willing it will not continue to increase -- would also be sufficient for everything to be shaky here.

We have El Mochito [mine] problem. This is not a labor problem, it is not a problem of the company. The problem is that silver is now at $5.00 or $5.10 an ounce, whereas it was up to $40 in the past. Zinc is $.18 a pound, and so forth. We have an open economy. We have to resolve our problems day by day, and the government is indeed resolving them. I am aware that this will serve as criticism. Some people say the president of the Republic should not communicate on the telephones [refers to his practice of telephoning radio stations to voice his views or criticism]. Let me tell you something -- and I am addressing this to all Hondurans -- the day when President Jose Azcona cannot call on the telephone or cannot face the Honduran people is the day I will present my irrevocable resignation to the National Congress.

So far I believe that I have fulfilled my duty. The officials of my government are fulfilling their duty. Any official who deviates from the established path of honesty and work will be separated irrevocably from his post, as several already have been. Any others who fail to do their duty will also be separated. However, it is important for the labor and the peasant sectors to have faith, not in the government of Jose Azcona, because this is very transitory, but in democracy and in Honduras.

There should no longer be any editorials like those that have appeared in some newspapers; editorials which at times are almost subversive, as if this government supports only the employers, while others say the employers are not pulling their weight because the rules of the game have not been clearly defined.

Gentlemen, there has been much hubbub over something that is not true. The government is working. People talk about the best men; the best men are not just those who have one or another title. The best men are those who love Honduras, those who want to work for Honduras, and those who respect their chief, the president of the Republic. In this aspect, I have no complaints about any of the ministers in my Cabinet. Apart from that, I accept criticism, and I do not mind it, but it should be well-founded criticism. No one can objectively say so far that this or that minister has made this error or that error. All errors people say have been made are explainable. [passage omitted]

LOPEZ: NATIONAL EMERGENCY DECREE POSSIBLE

PA220042 Paris AFP in Spanish 2341 GMT 21 Aug 86

[Text] Tegucigalpa, 21 Aug (AFP) -- The Honduran Government might decree a state of national emergency due to the labor conflicts threatening to paralyze several state services, Foreign Minister Carlos Lopez Contreras said today.

More than 20 unions which operate the main state services, affiliated to the United Federation of Honduran Workers (FUTH), began partial strikes early this week to protest the dismissal of more than 100 officials from the National Agrarian Institute (INA).

Although Lopez did not offer details about the measure, which might be agreed upon tomorrow by the National Security Council, it is felt that the declaration of a state of emergency would allow the government to militarize the institutions affected by the strikes, such as water, electricity, social services, and others.

The INA labor union members and the FUTH leaders have revealed that the government intends to disrupt labor communications, and Christian Democratic Deputy Efrain Diaz Arrivillaga accused the government of being unable to solve the labor conflict, which was prompted by the reorganization of the INA.

The National Security Council, headed by President Jose Azcona, met today to analyze the suit which Nicaragua has filed against Honduras at the International Court of Justice for permitting contra operations in Honduran territory.

However, the council might meet again tomorrow to decree the state of emergency as a result of the labor strikes, Lopez warned.

Planned Decree Denied

PA220232 Panama City ACAN in Spanish 0130 GMT 22 Aug 86

[Text] Tegucigalpa, 21 Aug (ACAN-EFE) -- Honduran President Jose Azcona Hoyo denied this afternoon that a state of emergency will be decreed in the country to avoid a social crisis. The first reports were issued this morning by low-level officials in the Labor and Social Welfare and the Government and Justice Ministries.

Javier Moncada Amador, leader of the Liberal Party bloc in congress, stated this afternoon: "President Azcona is calm and working in his office as usual, and he has told me that in no way will he decree a state of emergency here." The government is currently facing a wave of labor strikes by 26 unions, which are demanding labor protection and respect for their achievements in the sector.

Some 24 unions comprise the leftist United Federation of Honduran Workers (FUTH) and have progressively declared strikes since last Tuesday, in solidarity with the National Agrarian Institute labor union members, who have been on strike for the last 2 weeks. A strike has also been decreed by the workers at El Monchito mine, in western Santa Barbara Department, who are demanding that the U.S. Rosario Resources Company respect their achievements.

Official spokesmen have announced the possibility that a state of emergency might be decreed, adding that the executive branch would be in charge of this measure, even though the Constitution states that only the Congress may do that. Furthermore, the legislative branch's agenda for this week does not include this topic.

The National Security Council, which is comprised of top-ranking military officers and civilian leaders, met today, and the topic was unofficially discussed with the intention of analyzing the situation which has been created by low-level officials -- who have issued statements without a legal or official authorization.

Foreign Minister Carlos Lopez Contreras has revealed that the National Security Council will meet again tomorrow to officially discuss the rumors about a state of emergency and their possible sources, intentions, and consequences.

FOREIGN MINISTER ON NICARAGUAN SUIT AT ICJ

PA211605 San Pedro Sula TIEMPO in Spanish 20 Aug 86 p 5

[Text] Tegucigalpa -- Foreign Minister Carlos Lopez Contreras said yesterday that the Honduran Government "is making the necessary consultations to act in the wisest way" regarding the suit filed by Nicaragua at the International Court of Justice [ICJ].

Regarding the suit filed by Nicaragua at the end of July, claiming that the U.S.-supported war is being waged from Honduras, the foreign minister said: "This is a heavy blow to Contadora and the Central American parliament."

"It is very hard to understand a government that wants to participate in fraternal meetings of cooperation in search of solutions and at the same time demonstrates that it is not a valid interlocutor because it has resorted to an international court to resolve alleged grievances," he added.

Regarding the countersuit that will reportedly be filed by Honduras at the ICJ, Lopez Contreras said that it is under study, because "it is a very delicate case, and the necessary consultations are being undertaken to act in the wisest way."

He stressed that the Honduran Government "has always been very willing to prevent border incidents from taking on such a magnitude as to make war imminent in Central America."

NEW ENVOY TO NICARAGUA VIEWS RELATIONS

PA201527 Tegucigalpa Voz de Honduras Network in Spanish 1820 GMT 19 Aug 86

[Interview with Colonel Efrain Lisandro Gonzalez, new ambassador to Nicaragua, by Francisco Giron on 19 August; place not given -- recorded; broadcast in progress]

[Text] [Giron] Did you discuss issues regarding the problems in Nicaragua and the objectives to be achieved in the Nicaraguan region?

[Gonzalez] We discussed the relationship between Honduras and Nicaragua. I will try to make the various aspects of relations between Honduras and Nicaragua develop in a diplomatic sphere of mutual respect and dialogue. I will also try to discuss and analyze our common affairs seriously and respectfully.

[Giron] You were first named ambassador to Guatemala. Why the change?

[Gonzalez] One of your colleagues asked me that this morning. The change did not take place suddenly. Its announcement to the public seems to have been sudden, but I analyzed the change for a little over 1 month. The government, the president, the foreign minister, and the commander in chief of the Armed Forces feel that I can serve the country better in Nicaragua than Guatemala. This does not undermine the importance of our embassy in Guatemala, which is quite important, as we all know. However, the government feels that I will be more useful in Nicaragua, and I agree. I am very much in accord and feel very honored that the government delegated that responsibility to me, and I hope to fulfill my duties by putting forth the best of my ability and goodwill.

[Giron] Can it be said, then, that by naming a new ambassador there will be an improvement, and can we speak of a new era in relations between the two countries?

[Gonzalez] You know that the relations between two countries do not change from 1 day to the next. It is the Honduran Government's manifest intention to improve our relations with Nicaragua, a country with which we have a few differences that are well known to everyone. It is the Honduran Government's intention and desire to improve these relations so that the problems and issues we disagree on can be channelled through more peaceful paths.

[Giron] [Question indistinct]

[Gonzalez] The policy that should be followed is the same as in any diplomatic mission; good relations and contacts should be maintained with all sectors in the mission's country. There should be a friendly working relationship and cordial respect toward all the Nicaraguan authorities we may have to deal with and also with the Nicaraguan people. The mission represents the Honduran Government and people before the Nicaraguan Government and people.

[Giron] Within the Armed Forces you are considered a very moderate man. Did this (?influence) the military institution [words indistinct] to normalize Honduran-Nicaraguan diplomatic relations?

[Gonzalez] Relations between two countries do not depend only on an ambassador's efforts. Relations are the consequence of both contries' interests that each of the countries seek by ensuring their people's cooperation and well-being. I definitely feel that an ambassador can contribute a great deal to make these relations more favorable.

CONTRAS ALLEGEDLY COMPILE HONDURAN 'HIT LIST'

PA211234 Paris AFP in Spanish 2248 GMT 20 Aug 86

[Text] Tegucigalpa, 20 Aug (AFP) -- Today Jorge Arturo Reina, former rector of the National University and leader of the ruling Liberal Party, reported that armed gangs linked to the Nicaraguan contras are threatening Honduran politicians and leaders who oppose the presence of anti-Sandinists in Honduras and have already disclosed a "hit list."

Reina told the international media that this armed gang has published the mimeographed "hit list", which has no signatures, and has delivered the list to private right-wing groups to encourage attacks against the critics of the Honduran support policy to the contras.

Reina, highest leader of the nonofficialist movement of the ruling Liberal Party, said that his name and the names of other leaders of diverse political tendencies -- whose common denominator is their opposition to the contras -- are also included on the list.

Victor Meza, university professor and human rights researcher, who has also been threatened, said that several of the persons included on the list met last week to discuss the situation. The "hit list" mentions more than a dozen personalities, among them two deputies, one former minister, a well-known columnist, leaders of the National Autonomous University, left-wing union leaders, and members of the Communist Party, said Meza.

Furthermore, Reina warned that this situation may erupt into violent actions and bloodshed that would weaken the democratic process. Reina reiterated that the activities by the contras and the CIA "are leading us into a war with Nicaragua."

Major Jorge Arguello, director of public relations of the Armed Forces, stated that his office has no knowledge of the existence of the list.

NICARAGUA

NOTE PROTESTS REAGAN STATEMENTS TO EXCELSIOR

PA211524 Managua Domestic Service in Spanish 1200 GMT 21 Aug 86

[Text] A note of protest sent last night to U.S. Secretary of State George Shultz by Acting Foreign Minister Jose Leon Talavera states that the U.S. policy of prolonging the current situation will inevitably lead to a U.S. military invasion of Nicaragua. The Nicaraguan protest is in response to the threatening statements U.S. President Ronald Reagan made to the Mexican newspaper EXCELSIOR. The note points out that President Reagan admitted publicly that the true objective of his policy is to topple the Nicaraguan Government through the use of the mercenary groups organized, armed, and directed by the U.S. Government.

U.S. PLANS FOR TRAINING CONTRAS OUTLINED

PA211939 Managua Domestic Service in Spanish 1810 GMT 21 Aug 86

[Text] Washington -- U.S. soldiers will begin training Somozist troops in Honduras -- and perhaps in El Salvador and Panama -- as soon as possible, according to government and congressional sources. The Green Berets will be in charge of the training. These units are stationed in Fort Bragg, North Carolina, and Panama. They are specialized in training armed forces of third countries in guerrilla tactics or counterinsurgency methods. The Green Berets are part of the U.S. Armed Forces' so-called special operation units. They are specialized in nonconventional and psychological warfare.

In addition to the training, the U.S. military advisers will help the contras in establishing a logistical apparatus that will enable them to conduct large-scale military operations deep inside the Nicaraguan territory and at the same time guarantee their supplies from abroad. The U.S. officials said that the administration is contemplating the possibility of purchasing or leasing C-46, C-47, or C-123 planes.

Although the Pentagon will be responsible for the training to a large extent, the CIA will be in control of the whole operation, according to U.S. Government officials.

HONDURAN ENVOY PRESENTS CREDENTIALS, MEETS PRESS

PA211945 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 21 Aug 86

[Text] The topic of relations between Honduras and Nicaragua was addressed this afternoon by President Daniel Ortega and Colonel Efrain Lisandro Gonzalez Munoz, Honduran ambassador to Nicaragua, who presented his credentials.

Col Gonzalez Munoz has been inspector general of the Honduran Armed Forces Command. After presenting his credentials and reviewing the honor guard, he was interviewed by journalists.

[Begin Gonzalez Munoz recording] I wish to state that there is a desire and willingness to resolve the problems that exist between our two countries effectively based on mutual respect. [end recording]

The new ambassador reiterated his government's position that it will not expend resources to control its borders. International news media and the Nicaraguan Government have reported the presence of counterrevolutionary camps in Honduras. Journalists also asked him about Contadora:

[Begin Gonzalez Munoz recording] We understand that the proposals made by Honduras and other governments of the region are already on the negotiating table. When a satisfactory collective agreement is reached, my government will be signing the treaty. [end recording]

Hungarian Ambassador Istvan Soos also presented his credentials this afternoon and expressed his country's support for the Contadora and Support Group's efforts.

[Begin Soos recording] I can assure you that the Hungarian Government is closely following the events and gives its full support to the Contadora and Support Groups. [end recording]

Ambassador Soos said he will work to improve ties with Nicaragua, especially agricultural matters, in which his country has vast experience.

BRIEFS

LIBYAN PROJECT -- The Nicaraguan-Libyan Arab Agricultural Enterprise, (Alinic), has sowed 3,500 manzanas of beans, 1,500 of corn, and 1,100 of sorghum in the San Ramon project of Midindra [Ministry of Agricultural-Livestock Development and Agrarian Reform], said Hector Lizarraga, director of the enterprise. Lizarraga said 50 percent of this project has been financed by the Libyan Government and has a cost of $2,000 per manzana, which includes the machinery, irrigation, sowing, and construction of roads. So far 1,500 quintals of corn have been harvested, with an approximate yield of 75 quintals per manzana. [Summary] [Managua Radio Sandino in Spanish 1200 GMT 12 Aug 86 PA]

COMMENTS ON RECENT U.S. STANCES, ACTIONS

Reagan Rejects Moratorium

PA211423 Havana International Service in Spanish 0000 GMT 21 Aug 86

["Viewpoint" commentary, read by Angel Hernandez]

[Text] With the sense of responsibility characteristic of the first worker-peasant state in history, top Soviet leader Mikhail Gorbachev stated a few hours ago in Moscow that the USSR will extend to 1 January 1987 the unilateral moratorium on nuclear tests that it has enforced since 6 August 1985. This decision fully concurs with the world's hopes. With justified alarm pepole throughout the world witness the increase of atomic arsenals to the point that a superpower stocks enough weapons to destroy the world several times over.

Washington's hasty reply is completely contrary to worldwide hopes. White House spokesman Larry Speakes once again revealed the U.S. hegemonistic aspirations, when he said that Washington rejects the suspension of nuclear tests because it would curb the possibilities of creating new weapons. This is the barefaced reply of someone who lacks any sound, logical argument to face an overwhelming truth. U.S. rejections have a long history. When on 6 August 1985 the USSR started the unilateral moratorium, Washington believed it was a demagogic maneuver, because it was impossible to verify nuclear tests.

The USSR offered on site verifications, and Reagan was once again disarmed. This fallacy was confirmed a few hours ago when Gorbachev announced that since 6 August 1985 until the present time, the United States has conducted 18 nuclear tests, 3 of which were not announced publicly, but were nevertheless detected by modern technical means. All this speaks in favor of complete verification of nuclear tests.

Now the Yankees claim the need to strengthen national defense. It is the old story of the big bad wolf who wants to eat the weak U.S. lamb. However, we might ask what hidden and threatening potential can be held by a country who hasn't detonated a nuclear weapon in over two years, while the alleged victim has conducted more than two dozen tests.

Reagan doesn't have the least excuse to justify his reticence. Probably by now he is not very interested in presenting himself to the world as an alleged standardbearer of peace. Washington is cornered, and its outbursts of impotence and insanity lead it to such political outrages as announcing its intention of violating SALT II treaties.

All countries, even those allied with Washington, reject such dictates, and many Western rulers view with growing concern how the United States is treading a path that will inevitably lead to confrontation and violence.

Objectives in Nicaragua

PA211451 Havana International Service in Spanish 2300 GMT 20 Aug 86

[Text] U.S. President Ronald Reagan has admitted that his objective in Nicaragua is to remove the Sandinist government from power. In statements to Mexican newspaper EXCELSIOR, Reagan said that a takeover by counterrevolutionaries, whom he called freedom fighters, is the only option left for that Central American country. The statements to the Mexican newspaper totally contradict his previous statements that he is only exerting pressure on the revolutionary government to establish negotiations with the Somozists.

Contra Aid 'Opens the Door'

PA211736 Havana International Service in Spanish 2300 GMT 20 Aug 86

["Our America" commentary]

[Text] In addition to constituting a war declaration, the U.S. Congress' decision to grant aid requested by President Reagan for the Nicaraguan counterrevolutionaries opens the door widely for the CIA to channel uncontrolled funds for the rebels.

So far, the mercenaries have received more than $130 million to carry out their banditry in addition to other millions given to them by U.S. and European rightist organizations.

According to British newspaper GUARDIAN, the CIA is now planning to give resources valued at $150 million to the rebels in addition to the $100 million recently approved by Congress. The $150 million will flow through financial channels identical to those previously used by the CIA to supply the counterrevolutionaries with helicopters, trucks, and arms although there are official prohibitions on the spending of government funds for those purposes. This also shows that the CIA, as well as the Pentagon, will continue to lead counterrevolutionary operations independently of the aid granted by the U.S. Congress.

In 1984, when military aid was temporarily suspended, counterrevolutionary leader Adolfo Calero said that the flow of advisers, weapons, and financing would not be cut off, because the United States could channel them through third countries. The facts showed that Calero knows his partner very well, because territories in Honduras and Costa Rica have gradually become permanent bases for attacks against Nicaragua. Mercenary camps receiving all the aid given by the United States, specifically by the CIA, are headquartered in those nations.

We must note that the Pentagon has invested more than $5 million to establish two bases in Palmerola, Honduras. It plans to invest an additional $20 million to build new roads, military installations, and airports. Two landing strips are also being built in the Honduran Mosquitia area to supply counterrevolutionary forces via air.

If there were not evidence of this, it would seem incredible that a country like the United States, which is on the verge of an economic recession, with approximately 9 million unemployed, and an infinite number of domestic problems, would embark on such an irresponsible and dangerous venture.

CONTRA AID NOT TO PASS THROUGH HONDURAS

PA211509 Havana International Service in Spanish 0000 GMT 21 Aug 86

[Text] Honduran Foreign Minister Carlos Lopez Contreras has said that his government will not permit the use of Honduran territory for the distribution of the U.S. aid for the Nicaraguan counterrevolutionary bands. Tegucigalpa newspapers published Lopez Contreras' remarks, which several political analysts described as surprising due to the Honduran Government's open complicity with the U.S. warmongering policy in the Central American region.

SALVADORAN REBELS, GOVERNMENT MEETING IN MEXICO

PA211646 Havana International Service in Spanish 0000 GMT 21 Aug 86

[Report by Norberto Hernandez]

[Text] Leaders of the Salvadoran FMLN-FDR and government representatives are meeting in Mexico City to establish the date, place, and agenda of their third round of talks.

According to an insurgent communique published in San Salvador, the rebel fronts said they are attending the preliminary meeting with a constructive spirit and the desire to achieve a favorable situation for the dialogue.

Salvador Samayoa and Jorge Villacorta represent the guerrillas in these talks; the government is represented by Rodolfo Castillo Claramount, vice president and foreign minister, Julio Adolfo Rey Prendes, communications minister and close friend of President Duarte, and Ricardo Soriano, a trade union leader who the insurgents describe as corrupt and pro-North American.

The talks had been suspended since November 1984. Since that time the Duarte government has tried to defeat the guerrilla forces, without success. To achieve this objective, the authorities and the Armed Forces, with the support of their U.S. allies, have carried out intense counterinsurgency operations with massive bombings and permanent attacks and dislodging of civilians in the strife-torn areas. Since November 1984, the guerrillas have insisted on the continuation of the dialogue and since President Duarte publicly announced his decision to continue it, the rebels said that the participation of the various sectors of Salvadoran society is essential to achieve a negotiated peace.

The preliminary meeting for the talks has created great expectations throughout Latin America because of the importance of finding a solution to such a grave problem. Meanwhile, the Salvadoran guerrillas have announced that they will propose a military truce during the third round of the dialogue in an effort to promote the most adequate conditions for the meeting.

NONALIGNED SUMMIT: GUANTANAMO BASE AT ISSUE

FL211755 Havana Radio Periodico del Aire in Spanish 1600 GMT 21 Aug 86

[Text] Harare -- The nonaligned countries summit will intensify the demand to dismantle foreign military bases in Latin America and will emphasize the case of the Guantanamo naval base.

This proposal is included in the draft of the final declaration which will be discussed by the heads of state and government in Harare, Zimbabwe, beginning 2 September.

In addition to reiterating the demand that the United States return the naval base to Cuba, the document condemns the presence of foreign military bases and troops in the area.

VIERA LINARES MEETS PANAMANIAN AMBASSADOR

FL211856 Havana Radio Periodico del Aire in Spanish 1600 GMT 21 Aug 86

[Text] Acting Foreign Minister Jose Raul Viera Linares has met in Havana City with Panamanian Ambassador Manuel (Orestes Nieto de Icaza).

During the meeting, the ambassador presented Viera Linares with the book "Panama -- 16 Years of Struggle Against Drug Trafficking," a documentary published by the Panamanian Government on communications between Panamanian and U.S. authorities on the suppression of drug trafficking.

VALDEZ MARKS CUBAN-ANGOLAN RELATIONS

FL211132 Havana Radio Progreso Network in Spanish 1100 GMT 21 Aug 86

[Text] Jorge Risquet Valdez, Politburo member and party Central Committee secretary, has attended a ceremony marking the 10th anniversary of the establishment of economic relations between Cuba and Angola. The event was held at the Angolan House of Culture in Havana.

Manuel Gutierrez, first vice president of the state committee for economic cooperation, spoke at the ceremony. He said that during these 10 years of Cuban-Angolan economic cooperation, fraternal ties have strengthened and foundations have been laid for increased ties.

CONSTRUCTION OF CIENFUEGOS NUCLEAR POWER PLANT

FL212130 Havana Radio Reloj Network in Spanish 1802 GMT 21 Aug 86

[Text] Party Politburo member Pedro Miret Prieto has chaired a meeting held in Cienfuegos to assess the progress made in the construction of that city's nuclear power plant.

During the meeting, the participants discussed problems which have caused delays in the installation of the reactors, as well as the state of construction and other activities in a special building adjacent to the power plant.

Other aspects such as breakage of some equipment needed in the completion of Cuba's project of the century, the need for a greater number of designers, and amount of supplies were also discussed.

The Soviet specialists said it is necessary to begin training the personnel required for assembling the plant.

CECE MINISTER ON INTERNATIONALISTS ACTIVITY

FL212359 Havana Radio Rebelde Network in Spanish 2300 GMT 21 Aug 86

[text] More than 150,000 Cubans have lent their services as internationalists in 45 countries in Africa, Asia, and Latin America, Ernesto Melendez, minister President of the state Committed for Economic Cooperation [CECE], has reported.

The CECE minister also indicated that nearly 20,000 youths from about 100 nations are attending classes in Cuban schools. Melendez announced that the 3d meeting of Economic, Scientific, and Technical Cooperation will be held in Havana next November.

JAMAICA

PNP'S PATTERSON SAYS PAYMENTS TO IMF IN ARREARS

FL212036 Bridgetown CANA in English 2020 GMT 21 Aug 86

[Text] Kingston, Aug 21, CANA -- Jamaica's current programme with the International Monetary Fund (IMF) has gone off rails and the government is now seeking to negotiate a new stand-by agreement with the fund, Opposition Peoples National Party (PNP) Chairman Percival Patterson has charged.

Patterson told reporters last night that Jamaica had been in arrears in its payments to the fund since April. He said that before the IMF would seriously negotiate a new package, it wanted the government to give a definitive response to the so-called Fresh Look Mission Report, recommending continued austerity by the government.

Top Central Bank officials were unavailable for comment on Patterson's charge. The government is normally slow in disclosing information on problems or negotiations with the fund.

Prime Minister Edward Seaga had invited the mission from the IMF, the World Bank, and U.S. Agency for International Development (USAID) to assess the economy, hoping that they would be convinced it was time for reflation after three years of austerity and contraction. But, the mission suggested more belt-tightening, and particularly perturbed the government with a suggestion that there be further devaluations in the local currency and the chopping of more public sector jobs.

Seaga, who has devalued the Jamaica dollar from j1.78 for one U.S. to current j5.50 for one and presided over the chopping of at least 10,000 public sector jobs, rejected the recommendations in his May budget. Instead, he presented an expansionary package and declared that he had contingency plans should the agencies -- Jamaica's major aid backers -- insist that the government implement more austerity.

My understanding is that there is not presently any agreement between the government and the IMF, and that the government is in arrears in respect of some if its payments to the IMF, Patterson told reporters last night.

The government hopes to conclude a new stand-by programme, but the institutions are awaiting a definitive response to the Fresh Look Mission, he added. Jamaica is a little over half-way through a 22-month agreement with the IMF for U.S. 15 million dollars. An estimated U.S. 70 million dollars is still undrawn in that package. Patterson said the government was unable to make drawdowns because of the impasse.

Jamaica needs an IMF agreement if it is to get further renegotiation on some of its U.S. 3.3 billion dollar foreign debt.

The fund had in March granted the government a waiver to continue the current programme, after the failure of its first quarterly test last September. Seaga's first agreement with the IMF for U.S. 50 million dollars, signed in 1981, was thrown out by the fund in 1983 when both sides could not agree on whether the government has passed or failed a performance test.

TRINIDAD

POLICE CHIEF TO STAND TRIAL ON DRUG CHARGES

FL211258 Bonaire Trans World Radio in English 1130 GMT 21 Aug 86

[Text] A Trinidadian magistrate has ruled that suspended Police Chief Randolph (Burroughs) must stand trial on two drug-related charges following 2 weeks of preliminary hearings. The charges stem from a government investigation into corruption and drug trafficking.

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SELA CONDEMNS U.S. WHEAT, SUGAR POLICIES

PA231622 Madrid EFE in Spanish 0325 GMT 23 Aug 86

[Text] Caracas, 22 Aug (EFE) -- The delegates of the 25 member-countries of SELA today issued a communique condemning various aspects of the U.S. agricultural policy, particularly the decision to sell subsidized wheat.

SELA's communique expresses concern over the negative effects this decision will have on Argentina, which is currently struggling against the dishonest competition within a low-price market.

The note states that the approval of the 1985 U.S. farm act and a recent amendment to that law passed by the U.S. Senate have had a negative effect on Latin America's grain-producing countries.

The amendment is part of a law appropriating funds for the Eximbank, which eliminates until 30 September the current restrictions on the Export Enhancement Program [preceding three words in English] (EEP).

The communique notes the negative impact that the recent U.S. decision to sell its reserve sugar stockpile at a price under the already depressed international market price has had on the region and the world sugar market. The U.S. decision further aggravates the difficult situation of the international sugar market, which resulted mainly from the EEC policy of selling subsidized sugar.

The communique states that the SELA member-countries "consider that the aforementioned measures are an attempt against the possibilities for economic recovery, cooperation, and development of the region's affected countries."

SELA's communique was issued during the preparatory meeting for the 12th Latin American Council, which this regional agency for economic cooperation will hold in Lima (Peru) on 16 and 17 October.

TROCCOLI: ALFONSIN WILL NOT SEEK REELECTION

PY230046 Buenos Aires Domestic Service in Spanish 1600 GMT 22 Aug 86

[Text] Interior Minister Antonio Troccoli stated that President Raul Alfonsin has asked the Council for the Consolidation of Democracy not to include the reelection issue in the constitutional amendment bill. Regarding the president's reelection, Troccoli said the president does not want to be reelected and added: We all believe this shows his desire for a constitution that will serve as an instrument for the modernization of Argentina.

He also accused small groups of the extreme left and of the right of trying to undermine the democratic system, radicalizing positions, and exaggerating problems. Troccoli also referred to the fugitive, former General Carlos Suarez Mason. He said that justice's long arm will also reach him. He added that despite all the abuses, disorder, and regrettable events that have taken place in the country, security forces have maintained the situation at acceptable levels. He compared these forces to the best in the world in view of their effectiveness in clearing up these events.

Regarding elections within the political parties, he said that they are difficult -- as they have always been -- and that these elections are being held within the Radical Civic Union [UCR] in the same manner they have been held in the past. He said that the candidates and new party boards will be elected by the end of November by the UCR members and that the UCR will be very successful in the gubernatorial elections, and: I do not see anything that would lead us to suppose that Buenos Aires Province will change its political party.

He admitted that Antonio Cafiero is an important candidate and added that the UCR opening to nonmember seeks to include others with similar ideas. He declined to predict the results of the elections to be held next year.

CRESPO INTRODUCES DEFENSE BILL PROPOSALS

PY230102 Buenos Aires BUENOS AIRES HERALD in English 22 Aug 86 p 11

[Text] (NA-DYN) -- Air Force Chief-of-Staff Ernesto Crespo yesterday presented the Senate Defence Committee with a 28-page text proposing amendments of 18 of the 37 articles which make up the draft law of defence.

Among the proposals, the Air Force requests that the armed forces be granted authority to intervene militarily in the event of internal conflict: a similar request to proposals submitted by the Navy last Thursday.

The defence bill has already cleared the Lower House and is now up before the Senate. The Defence Committee has already considered Navy Chief-of-Staff Ramon Arosa's and Crespo's objections to the law, and is expected to meet with Army Chief-of-Staff Hector Rios Erenu and Defence Minister Horacio Jaunarena in the upcoming weeks.

According to the Air Force proposal, national defence includes "operations against terrorism, drug traffic, organized crime and ideological infiltration in the educational and cultural fields," thus exceeding the framework of external aggression.

The text quotes Pope John Paul II, who allegedly supports involvement by the Armed Forces in domestic questions to "preserve internal peace as a tool for the common good."

The Air Force also objects to the article which precludes any participation of military intelligence units in the internal politics of the country. According to their own proposal, in order to counter foreign sabotage and spying, military units should be permitted to act domestically.

In common with Arosa, Crespo also suggested that the title Chief-of-Staff be changed to Commander, and advocated the elimination of the article which demands that the Armed Forces respect the spirit of the Constitution, claiming the request is redundant.

Bravo Herrera said he was against the defence bill as it had been passed by the Lower House and suggested the Senate "should either reform or reject it."

In related military news, Defence Ministry Spokesman Faustino Altamirano yesterday denied any member of the Armed Forces Supreme Council had resigned, thus answering press reports that Rear-Admiral Julio Acuna had given up his position in that body.

Acuna was reported to have resigned in protest over the avalanche of cases which the Federal Appeals Court has transferred to its jurisdiction due to alleged delays by the Supreme Council in dealing with them. The rear admiral was Rio Negro governor during the military regime.

Meanwhile the Buenos Aires military district yesterday announced that as of September 16 it will begin the medical examination of those born in 1968 and up for military service next year.

MACHINEA APPOINTED NEW CENTRAL BANK PRESIDENT

PY222135 Buenos Aires TELAM in Spanish 2058 GMT 22 Aug 86

[Text] Buenos Aires, 22 Aug (TELAM) -- Presidential spokesman Jose Ignacio Lopez announced at 1745 today that Jose Luis Machinea will be appointed new president of the Argentine Central Bank, replacing Alfredo Concepcion, whose resignation has been accepted by President Raul Alfonsin.

Lopez added that all members of the Central Bank Board of Directors nave also resigned, but he gave no further details.

COB PUBLISHES LETTER REFUTING INTERIOR MINISTER

PY222157 La Paz La Red Panamericana in Spanish 1130 GMT 22 Aug 86

[Text] The Bolivian Labor Confederation (COB] has published an open letter to Interior Minister Fernando Barthelemy, denying his comments on the COBEE [Bolivian Eletric Power Company] workers' stoppage.

The letter says both the COB and the COBEE trade union have long warned there was a serious risk that the electric power supply service would be interrupted owing to the lack of supplies and the need to renew the equipment. The COBEE trade union reported to the Labor Ministry on the difficulties of the COBEE.

The COB rejects the comments made by Minister Fernando Barthelemy, because they create annoyance and dissatisfaction among the workers. . .

15,000 MINEWORKERS LEAVE ORURO FOR LA PAZ

PY221846 La Paz La Red Panamericana in Spanish 1700 GMT 22 Aug 86

[Excerpt] Let us now contact the Radio Panamericana correspondent in Oruro, Jorge Barrientos Zapata.

[Begin relay] Good afternoon. This is a report from Oruro for Radio Panamericana.

Nearly 15,000 mineworkers have arrived here and have already walked nearly 10 km on the first leg of this march, which began at 1015. It is believed the first leg of the march will conclude in Caracollo at 1800 or 1900. The marchers will then continue until they reach their goal, the city of La Paz. The leaders feel the city of La Paz may be reached in 8 or 10 days. [Passage omitted] [end relay]

Lechin: Majority Strikes

PY230310 La Paz La Red Panamericana in Spanish 0000 GMT 23 Aug 86

[Text] Juan Lechin Oquendo, executive secretary of the Bolivian Labor Conferation [COB], has told Radio Panamericana that the 48-hour strike called by the COB has been orderly and was obeyed by all affiliated organizations. Lechin stated the report that the strike was only partial is based on sectors that did not participate -- such as some public employees and the drivers federation -- which are not affiliated with the COB. This is what Lechin Oquendo said:

[Begin recording] Those who have reported the strike was only partial are mistaken. Both the government and some (?progovernment) organizations have thought that the strike was only partial because some public employees and transporters who do not belong to the COB did not participate. But we can confirm that 99 percent of the COB members have honored the strike called by the COB. I say 99 percent because some very small factories -- employing at the most 1 percent of the workers -- have managed to keep their employees working through threats. [end recording]

U.S. Presence Denounced

PY230324 Paris AFP in Spanish 0125 GMT 23 Aug 86

[Text] La Paz, 22 Aug (AFP) -- The 2d day of the 48-hour strike ordered by the COB against the government policies continued today with a massive rally and march through the main streets of La Paz.

About 20,000 demonstrators including workers, peasants, students, teachers, and housewives, repudiated the presence of 170 U.S. soldiers who violated the national sovereignty. They demanded the immediate withdrawal of the foreign troops.

The demonstrators also expressed total support for the claims of the mineworkers who seek the rehabilitation of the Bolivian Mining Corporation (Comibol). They also rejected the tax reform law and the payment of the foreign debt approved by the government of president Victor Paz Estenssoro.

The Bolivian Police special forces closely followed the domonstrations near the Plaza Murillo, where the Executive and Legislative Palaces are located. The palaces were well-protected to prevent the demonstrators from entering the buildings.

Similar protest demonstrations were held in the main cities of the country. About 10,000 miners left Oruro, 200 km south of La Paz, in a march for life toward La Paz to try to talk with the president. However, they were not able to fulfill their mission because the police blocked the road.

Speakers at the rally said that the U.S. intervention in the northeastern part of the country is a flagrant violation of the Constitution and called on the Bolivian Armed Forces to express their position on this issue. COB member Jose Maria Palacios pointed out that the only way to show the government that the people disagree with its policies is to go out into the streets to conquer democracy directly. He added that the popular consultation on 25 July in which 1,400,000 people voted was a clear rejection of the new tax law and of the payment of the foreign debt contracted by the dictatorial regimes.

Peasant leader Victor Morales said the U.S. soldiers want to destroy the coca grown by the peasants. He said the U.S. Government should be forced to buy the excess of coca so that it would not be used for the illegal production of cocaine.

Mineworkers leader Simon Reyes said that the mineworkers are in a serious situation without food and resources and that the government should approve a plan to rehabilitate state mining instead of handing the mines over to transnationals and private enterprises.

BARTHELEMY SAYS 'NO ALTERNATIVE' ON ANTIDRUG AID

PY222316 La Paz La Red Panamericana in Spanish 1130 GMT 22 Aug 86

[Text] Interior Minister Fernando Barthelemy has stated that Bolivia had no alternative but to accept an offer of the U.S. Government to fight drug trafficking.

During a meeting at the Senate on 22 August, Barthelemy gave detailed information on the events leading to the arrival of U.S. troops for operations in eastern Bolivia and in the Chapare Region. These operations permitted raids and the destruction of cocaine processing laboratories which normally processed up to 8,000 kg of cocaine sulphide, the minister said. Following are the minister's comments:

[Begin recording] We would like everyone to understand that we had no alternative if we wanted to do something to fight drug trafficking immediately without wasting any more time because this was the simplest option proposed. [Words indistinct] through international assistance our own equipment, which was to be handled by ourselves, yielded any results. [end recording]

This was why the government was forced to accept the cooperation offered. In addition to these facts, our Armed Forces lack the necessary equipment. In choosing between the two alternatives of remaining with our arms corssed or resorting to cooperation, the second alternative was chosen.

[Begin recording in progress] ...was accepted because [words indistinct] equipment handled by U.S. Army troops who were placed at the disposal of the U.S. Justice Department, a special team to support the struggle against drug trafficking. [end recording]

For about 2 hours Interior Minister Fernando Barthelemy explained many points related to this issue. Afterward the senators spoke, asking that the explanations be expanded.

REPORTAGE ON VISIT BY PORTUGAL'S DE MIRANDA

Foreign Policy Differences Found

PY231845 Rio de Janeiro O GLOBO in Portuguese 21 Aug 86 p 8

[Excerpt] Brasilia -- Despite friendly ties and common historic roots, Brazil and Portugal have discovered that they have important disagreements concerning foreign policy issues. For example, Portugal understands the U.S. stand of supporting the contras in Nicaragua. Portugal thinks that it is naive to believe, as Brazil does, that the Central American problem will be solved by signing an agreement.

This discovery was made over the past few days during the visit Portuguese Foreign Minister Pedro Pires de Miranda made to Brazil with the goal of resuming international political consultations which have been stalled for nearly 30 years. [passage omitted]

Lisbon Reports on Visit

LD211415 Lisbon International Service in Portuguese 1000 GMT 21 Aug 86

[Text] President Jose Sarney has received Portuguese Foreign Minister Pires de Miranda in Brasilia. Afterward, the latter said that a joint committee is to be set up to plan a festival to celebrate the 5th centenary of the discovery of Brazil, to be held in the year 2000. Pires de Miranda also said that Portuguese and Brazilian businessmen are concluding negotiations to increase trade between the two countries.

The Portuguese foreign minister has also had a meeting with his Brazilian counterpart, Abreu Sodre, on the 3d day of his week-long visit. Six basic topics were discussed: the EEC, the Eureka Project, South Africa, Namibia, the orthographic agreement, and postal tariffs.

On the subject of Africa, the two ministers noted that Brazil and Portugal have different stances, but underlined that this is understandable in view of each country's specific circumstances. Brazil has a more hostile stand toward the Pretoria regime and favors economic sanctions, whereas Portugal still believes that it can contribute through dialogue to the peaceful dismantling of apartheid. Pires de Miranda apprised Abreu Sodre of the results and appraisals of the meetings held by Secretary of State for Foreign Affairs Azevedo Soares during his tour of southern Africa. With regard to Namibia, Pires de Miranda called for the reactivation of the diplomatic process with a view to gaining the territory's independence.

Referring to Portugal's entry into the EEC, the Brazilian foreign minister voiced the certainty that Portugal can render services of great value to the Brazilian economy by helping Brazil gain access to the EEC by setting up enterprises on Portuguese territory.

At the end of the talks with his Brazilian counterpart, Pires de Miranda stated that the most important conclusion to be drawn from them was that, together, we can play a weightier role in the world.

ARMED FORCES OFFICIALS 'UNAWARE' OF NUCLEAR TALKS

Amaral Oliveira Comments

PY231906 Sao Paulo FOLHA DE SAO PAULO in Portuguese 21 Aug 86 p 9

[Excerpt] Rio de Janeiro -- Armed Forces General Staff (EMFA) Chief Jose Maria do Amaral Oliveira, 60, said yesterday that he is unaware of the existence of studies for an agreement of mutual inspection of nuclear facilities between Brazil and Argentina as Itamaraty Secretary General Paulo Tarso Flecha de Lima told FOLHA DE SAO PAULO on 18 August. Amaral Oliveira reasserted that the facilities at the Cachimbo test site are exclusively designed for testing conventional weapons and denied that Brazil is interested in building an atomic bomb. He said: "Brazil is an earnest country. We have signed the Tlatelolco treaty (by which the signatories commit themselves to use nuclear energy just for peaceful purposes) and we will fulfill it." [passage omitted]

Saboia Comments

PY232108 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Aug 86 p 4

[Text] Rio de Janeiro -- Navy Minister Henrique Saboia, 60, said yesterday in Rio de Janeiro that he is unaware of the drafting of an agreement of mutual inspection of nuclear facilities between Brazil and Argentina. He said: "If such an agreement is being discussed, then Itamaraty is the agency concerned. The ministers of state just fulfill the resolutions of the diplomatic agreements." According to the Navy minister, there is great cooperation between the Brazilian and Argentine navies. However, he also said that he is unaware of the possibility of a technological agreement between the two countries to build submarines.

Saboia came to Rio de Janeiro to preside over the ceremony to accept the training ship "Brasil" for the Navy fleet at the Ilha das Cobras shipyard (at Guanabara Bay), where the ship was built. According to cost estimates made by Henrique Saboia, 83 percent of the ships equipment was manufactured in Brazil. The vessel cost nearly $100 million.

The Brazilian Navy hopes to complete in 1991 a program to expand its fleet at a total cost of $1.5 billion. A total of $450 million will be spent to build three submarines.

TRADE INFORMATION AGREEMENT SIGNED WITH PRC

PY211945 Brasilia Domestic Service in Portuguese 2200 GMT 20 Aug 86

[Text] The relations between Brazil and the PRC have been intensified through an agreement signed by the president of the Brazilian Center of Foreign Trade Studies and the director of the International Trade Research Institute of the PRC. The agreement establishes the exchange of information on economy and trade between the two countries.

50 SOVIET SHIPS SIGHTED OFF CHILEAN COAST

PY250204 Madrid EFE in Spanish 0145 GMT 25 Aug 86

[Text] Santiago, 24 Aug (EFE) -- The official Chilean news agency ORBE has reported that 50 Soviet ships have been sighted off the coast of Valdivia, 800 km south of Santiago. The news agency reporting from Concepcion stated the ships were sighted by two Chilean Navy reconnaissance planes.

The Soviet ships were maneuvering 300 miles off the coast, and three of them "were caught transferring freight while at high sea."

Lieutenant Commander Jaime Botto, who was on board one of the planes, said that during similar flights the Chilean Navy has managed to detect up to 200 ships off the Chilean coasts.

PINOCHET CRITICIZES POLITICIANS, CHURCH

PY250039 Santiago Domestic Service in Spanish 2300 GMT 22 Aug 86

[Text] The extent to which certain spiritual organizations are confused makes them slide toward the troubled waters of politics. As long as subversion is promoted and certain democrats fail to state their position toward Marxism, the cause of democracy will be in jeopardy. Chilean extremists must realize that arms can be used only by the institutions described in the Constitution as champions of national sovereignty.

The president of the nation made this remark at the end of a lunch in his honor hosted by the Army at the Military School. The lunch commemorates Pinochet's 13th anniversary as commander in chief of the Chilean Army.

The chief executive began his speech by thanking his comrades in arms for the greetings and congratulations extended to him. Pinochet then went on to outline the true meaning of 11 September 1973. He said the future had to be assured, adding that Chile had to continue being what it was. He criticized those who want to forget about the motives prompting the military intervention.

[Begin Pinochet recording] Those who refuse to acknowledge these motives and seek to explain the military intervention from partisan viewpoints or by saying it was a political maneuver are -- to say the least -- being untruthful or better still have turned their backs on reality. They do not find it suitable for their own interests to admit the true meaning of what happened on 11 September 1973. They are craftily trying to recreate the situation that prevailed then. Meanwhile, others find it suitable to disguise the fact that they supported the military intervention, either explicitly or implicitly. [end recording]

The president added that when the Armed Forces accepted the task the fatherland had given them, they were fully aware great difficulties and challenges lay ahead. He added that great progress was achieved during these years and each and every Chilean can see for himself the accomplishments confirming this.

The chief executive went on to criticize certain partisan political groups and warned them that as long as they remain undecided toward Marxism, democracy will be jeopardized.

[Begin recording] The attitude of the political groups that make up the current opposition is far from being appropriate for true democrats. While some of them openly seek the reinstatement of the so-called Popular Unity in order to implement its nefarious program, other self-styled democrats and Christians are helping the Marxists -- whom they also supported in the past for electoral reasons -- to coordinate the actions aimed at making the country impossible to govern.

To this, we must add the attitude of the communists who encourage armed actions through their extremist cells and insist on the need for violent rebellion and their intentions of setting up a popular democracy. Let us not allow ourselves to be fooled. As long as certain sectors continue to promote subversion by working together with the communists and as long as the lack of definition of certain democrats continues to foster Marxism, the cause of democracy and freedom will be in jeopardy.

The present has no room for cowards or the weakhearted. The discovery of arms brought into the country from abroad is perhaps, the most serious piece of evidence that each and every Chilean must take into account for an in-depth evaluation that should lead to patriotic decisions. [end recording]

The president also stated that the arms found are yet another piece of evidence that the communists want to use the armed approacn to make their ideology prevail. He said this awareness of the threat that communism poses compels us to defend our freedom and oppose class struggle. He went on to warn that arms are to be used only by the institutions provided for in the Constitution.

[Begin recording] The extremists and those who support them must realize once and for all that in Chile arms are to be used only by the institutions provided for in our Constitution and that these arms must be used to defend the nation's sovereignty and its most essential values.

As Chileans and as soldiers, we will be an unsurmountable barrier for any totalitarian maneuvers. As in the past, we stand side by side with our fellow countrymen, true Chileans, who are building in peace and order. [end recording]

The chief of state also emphasized the courage and virtures of Armed Forces' members. According to him, these institutions were created by the nation to defend its sovereignty. He then lashed out at certain opposition sectors that have always refused to see the positive aspects and the accomplishments of the current government.

[Begin recording] The opposition is moved by other purposes and an obvious lust for power. They have permanently criticized -- in a destructive manner -- everything we have done. Nothing is positive and nothing has been accomplished in all these years, as far as they are concerned. The slander and lies they constantly use are at odds with the calm and firm attitude of this government which works and gets things done.

There is confusion among certain sectors, among important spiritual organizations that betray and foresake their transcendental mission and stray away from their true quest for unity and a healthy coexistence at every level. Thus, they slide toward the troubled waters of political maneuvers and toward [word indistinct] and materialistic positions. [end recording]

The president warned about the campaign which seeks to distort the information concerning the men of arms. He said this campaign is directed at weakening the iron-clad unity among the various military institutions and undermining their fighting spirit.

Finally, Pinochet reiterated his thanks for all the greetings and congratulations he received on his 13th anniversary as Army commander in chief and reasserted that the Armed Forces' mission is to guarantee institutional order.

AD CALLS ON ARMED FORCES TO 'GIVE BACK' DEMOCRACY

PY230253 Santiago Radio Chilena in Spanish 2300 GMT 22 Aug 86

[Text] The Democratic Alliance has reiterated its call to the Armed Forces to fulfill their commitment to give back what the country demands: an effective democracy capable of facing Chile's problems with the participation of all Chileans who love freedom.

In a public declaration the AD referred to recent events that occurred in the country, and the finding of arms in the third region. The declaration says that according to its usual practice, the government hopes to make politicians responsible for the lack of credibility among Chileans regarding the finding of arms, which has only been verified by official organizations and reports. The AD declaration adds: We hope to get more information on these findings before we make a statement. However, this lack of general credibility is by itself a very serious fact because it means that Pinochet's government has used up all its reserves of public faith. This is quite natural in the face of dubious confrontations, suicides, terrorist attacks, and brutal crimes that are never solved. These serious events cannot be verified by impartial individuals and the government clumsily uses these events for its own political gain.

The AD declaration goes on to say that events of this kind occur every time the government has to face difficult political situations, just as it is facing now on domestic and foreign issues especially with the latest court decisions on the torching, and on the arrested and missing cases. The declaration adds that if arms really were found, it is clear confirmation of the failure of repressive and regressive economic and social policies. Pinochet alone is responsible for these policies.

The AD says: In fact, after 13 years of state of exception, temporary article 24, limitations to freedom to information, political recession, serious human rights violations, and international repudiation, the government can only offer repression, violence, and war. The opposition -- amid mockery made of it by the governments -- has always realized that government policies were leading to the polarization of society and violence, thus closing the path to peaceful understanding.

The AD points out that the country and the Armed Forces have the patriotic duty to ask themselves if this is the best government to face this chaotic situation. If we are really facing a terrorist or guerrilla attack we then need a government that unites the people, and not one that divides them as never before in Chilean history. We demand a government with popular support, not the repudiation of all the people. We need a government that can be trusted by the people, not a government that lacks credibility. In other words, we need a government for all Chileans and not a government imposing Pinochet until 1997.

The AD also expresses its solidarity either civilian or military victims of the past, present, and future as a result of the government's suicidal policies. We also repudiate the irresponsible comments by an extremist leader who plays the game of the government whenever the government needs him, and we urge everyone to take a position against this attitude.

In conclusion, the AD reiterates its call to the Armed Forces to fulfill their commitment to return to the country what it demands: an effective democracy capable of facing the problems of Chile with the participation of all Chileans who love freedom.

TWO NEW ARSENALS FOUND IN VALLENAR, SANTIAGO

PY221936 Santiago Domestic Service in Spanish 1700 GMT 22 Aug 86

[Text] [Relay from Copiapo] Another arsenal was discovered last night 8 km north of the city of Vallenar, about 100 meters from the Panamerican Highway. Joint security, Army, and Carabineros forces have discovered an impressive arsenal, consisting of 22 tons of weapons, explosives and ammunition. This arsenal was very well camouflaged beneath a concrete [word indistinct] in a room built with wood which had a surface of about 32 square meters. This arsenal is also connected with the commando group that operated at Carrizal Bajo and other sectors in the 3d Region.

Security forces discovered this arsenal of guns and weapons near the entrance of Vallenar. Preliminary reports say the following arms have been confiscated: 1,300 new U.S. M-16 rifles; 50 bags of C-4 plastic explosives, each containing 16 rolls; approximately 50 bags of TNT; and an impressive quantity of various types of ammunition, mainly for rifles, totaling 100 cubic meters. Each ammunition package contains 500 rounds. The 22-ton arsenal was shipped to Santiago by plane.

This arsenal was located 8 km north of Vallenar in an old, uninhabited lodge called Maranon. [end relay]

Another arsenal -- the 10th so far -- was found at 1635 Tucapel Avenue, near bus stop No 35 on Santa Rosa Avenue in Santiago. Following is a list of confiscated items: 41 FAL rifles; 26 M-16 rifles; 2 M-60 machineguns; 100 Katiushka rocket launchers; 10 rocket backpacks; 81 rocket cartridges; 50 (?Lav) rockets; 5 grenade launchers; 17 ricochet grenades [granadas rebotantes]; 8 rocket launcher guidance systems; 320 M-16 cartridges; 5 M-16 cartridge clips [cargadores curvos]; 177 FAL rifle cartridges; bayonet and bags; and 5,000 rounds for rifles and machineguns.

Caches Pose 'Dangers'

PA240437 Paris AFP in Spanish 0255 GMT 24 Aug 86

[Text] Santiago, 23 Aug (AFP) -- Today the Chilean military government said the country is facing an "extremely dangerous" situation because of the entry of great quantities of arms destined for leftist guerrillas. Up to this moment, the raids on eight clandestine storage depots by the security organizations of President Augusto Pinochet's regime have yielded some 3,200 automatic rifles, 114 bazookas, 2,000 rockets and mortar bombs, 2,000 grenades, 17 tons of explosives, and 2 million bullets.

The president said on Saturday at the ceremony honoring generals and admirals that it is not known whether there are more weapons stored, and this is why the national defense general staff has to adopt measures.

According to the authorities, the weapons were destined for the Manuel Rodriguez Patriotic Front -- of Communist persuasion -- and for the Movement of the Revolutionary Left (MIR), which is modeled after the Cuban revolution. The authorities pointed out that the cargo was brought by Soviet trawlers, and in the case of the machineguns, most of them are weapons that the U.S. Army abandoned in Vietnam. The others are of Belgian manufacture, Czechoslovak, or Soviet.

The Patriotic Front and the MIR denied the offical versions and said the government created a farce to justify new oppostion repression. The opposition is bent on installing a civilian regime through democratic elections.

The Minister of Interior Ricardo Garcia, in a message read tonight over radio and television, made a vehement call so that the country will give credence to the report which he called, "grave aggression of foreign roots, carefully prepared to compromise the country's coexistence and to give rise to a sequel of death, destruction and chaos." Garcia said that we ask for this collaboration so the inquiries on the weapons can be successful, and we can learn exactly the total quantity of the materiel, and we can learn the identity of all who knew about them and prepared for their use.

The minister said that "with the war operation that has been launched in the country," it is intended to hinder economic development and hinder the battle against repression, which has been affecting Chileans for the last 4 years. He warned that this would cause "a very harmful, irreversible delay, in the welfare which we all wish for."

Experts To Inspect Arsenals

PY221332 Madrid EFE in Spanish 0446 GMT 22 Aug 86

[Excerpts] Santiago, Chile, 21 Aug (EFE) -- Foreign Minister Jaime del Valle today reported the U.S. Government has accepted a request that it send experts to inspect the arsenals that were discovered last week. Del Valle said the request was submitted formally to Assistant Secretary for American Republics Affairs Robert Gelbard through Uldaricio Figueroa, the Chilean minister counselor to the embassy in Washington.

The foreign minister pointed out that the inspectors' purpose is to determine the origin of the arms. Del Valle also said that war materiel experts from other countries have been invited to cooperate in the task of determining the quality, danger, and origin of the confiscated arms caches. [passage omitted]

An article published in the last issue of the weekly QUE PASA notes the "CIA already had information about the sale of these arms," which are of U.S. origin "and which were used during the Vietnam War."

COLONEL RELEASED; FPMR, DINACOS COMMENT

PY221526 Madrid EFE in Spanish 0758 GMT 22 Aug 86

[By Juan Jorge Faundes]

[Text] Santiago, 22 Aug (EFE) -- The Manuel Rogriguez Patriotic Front [FPMR] decided to release Colonel Mario Haeberle Rivadeneira because it believed its "main objectives" had been fulfilled.

This is stated in an FPMR communique which notes that these objectives were "to make the men of the Armed Forces, particularly those in the Army, aware that if they continue along with their repressive path they will be punished." According to the communique, another FPMR objective was "to show that despite the enforcement of repressive measures that include raids, mass arrests, and dragnets, we are able to hit the Army and the High Command."

Colonel Haeberle Rivadeneira was released last night at 2240 in the southern area of Santiago. Haeberle, who is chief of protocol of the Santiago Military Garrison, was kidnapped on 18 August. Haeberle was released at the same time a woman placed a call to the EFE offices in Santiago to report Haeberle had been released at the corner of Tiltil and Aysen Streets. The woman asked EFE to go to the intersection, "because we do not want him to get sick." Haeberle's release took place on a cold and rainy night when the thermometer recorded 4 degrees.

But EFE arrived on the scene a few minutes after a Carabineros patrol car had come to pick up Col Haeberle from the "Easton-Chile" guard post of Hector Luis Maldonado, 24 years old, from whom Haeberle had requested help and the use of a telephone. This guard post is located about 50 meters from the corner where Haeberle was released by his captors. Hector Luis Maldonado reported: "He said: 'Please help me. I was robbed.' I let him come in, and he even agreed to be searched. He asked me if he could use the telephone." Maldonado told EFE: "I then asked the guard at the industry building next door to call the Carabineros. They came to pick him up 20 minutes after." The guard also said that it did not take him long to recognize Col Haeberle. "I remembered the pictures that have been published in the newspapers and that have appeared on the television," he said.

Maldonado said that when the officer appeared, he was barefooted and that "he had been tied up and blindfolded for about 3 days and he did not know where he was." The guard said: "He was not injured. He looked well, but he appeared to be dizzy."

He added: "He also told me that I should not be scared, that he was not a criminal or anything of the sort, and that they had left him at the corner inside a bag."

Once the Carabineros had taken Colonel Haeberle, the Government Social Communications Agency [Dinacos] issued a communique officially announcing that Haeberle had been released and he had been taken to the military hospital. Later, a self-styled FPMR spokesman called EFE and said: "Tonight we released Col Mario Haeberle, one of the members of the Santiago Military Garrison High Command and a Pinochet adviser." The FPMR communique added: "His release took place amid the dragnet established by over 8,000 troops of the regime's repressive forces."

According to the FPMR communique, another objective was "to personally deliver to a high-ranking Army chief our letter to the Armed Forces in which we note that decisive times are ahead in which they must decide whether to continue supporting Pinochet to the end or to abandon him and unite themselves to the people." The communique also notes the FPMR was able "to confiscate important documents, some of which have already been disclosed to the public and which we will continue to disclose."

The FPMR adds: "During the entire time Col Haeberle was in our hands, he was treated humanely, as he himself acknowledged in a letter he sent to his wife." "This shows the difference between those who struggle with arms to achieve freedom and Pinochet's repressive organizations, which torture, kill, burn, and make prisoners disappear."

The communique adds that in releasing him, the FPMR was also heeding the mediation carried out by Catholic Church representatives. It notes: "we hope the appeals made by the Catholic Church will be heeded by the dictatorship just as we have done, because in so doing many patriots may be saved from torture and the dungeons of the dictatorship."

BARCO STRIVES FOR RECONCILIATION, REHABILITATION

PA222003 Bogota Television Service in Spanish 1730 GMT 22 Aug 86

[Text] President Virgilio Barco Vargas today praised the work of the Presidential Guard Battalion during a special ceremony held at the battalion's headquarters.

The government's priority task will be to defend national institutions, the president said during a ceremony held at the Presidential Guard, where he also praised the work done by the military forces. Ricardo Canon now reports:

[Begin recording] [Canon] To commemorate the 58th anniversary of the Presidential Guard Battalion, President Virgilio Barco Vargas praised the professionalism of the Armed Forces as a guarantee in strengthening democratic institutions. The president promised to recover peace and coexistence for the Colombians, based on mutual respect and observance of the laws.

[Barco] We will strive to achieve reconciliation, normalization, and rehabilitation, particularly for the benefit of the more needy ones and the most remote areas to recover national peace and security. We will seek coexistence based on respect for everyone's rights, justice, and the observance of law. [end recording]

CONSERVATIVES FEAR GROWTH OF BARCO LIBERALISM

PA221559 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 22 Aug 86

[Text] The Conservative Party feels that President Barco has revived the so-called cogovernment with the liberal directorates through the free sharing of state power. The Conservatives fear the rapid growth of a dangerous symbiosis between the party government and the government party, where it is already difficult to distinguish the public officials from the members of the official political directorates. The National Conservative Directorate expressed this in a message sent to Ignacio Velez Escobar, Mario Calderon Rivera, and William Fedul Vergara, who declined the ministerial positions President Barco offered the Conservative Party.

The Conservative hierarchy insists that the Liberal government is extremely party-oriented and is moving toward a political plan that contradicts the national spirit established in the Constitution. The Conservative Party again requested guarantees for the full exercise of its opposition, and noted that the national Constitution should not be cleverly invoked in an effort to avoid agreements that will lead to the approval of a legal document in favor of the political sectors that are not involved with the government.

BARCO ON EXTRADITION, DRUGS, OCHOA

PA231735 Bogota Television Service in Spanish 0000 GMT 23 Aug 86

[Text] The police today staged an operation to capture drug traffickers and guerrillas. There were no major arrests. Raids were staged in Risaralda and Quindio Departments, and on the Atlantic Coast. The operation, in which the DAS [Administrative Department of Security] and Army also participated, was to comply with court orders. Agents of the DEA, the U.S. antinarcotics agency, are not directly involved in the operation. The raids, staged mostly on homes and in hotels, are primarily aimed at finding Carlos Lehder, Pablo Escobar, and Jorge Luis Ochoa, who have legal cases pending in Colombia and whose extraditions have been requested against them by U.S. authorities.

Weapons and vehicles were confiscated during the operation. Five people, whose identities were not revealed, were taken into custody in Pereira.

Meanwhile, President Barco today denied his administration is boycotting the extradition treaty [with the United States] as various U.S. authorities have implied.

[Begin recording] [Reporter] Has the U.S. Government requested permission for DEA agents to work in Colombia to find drug traffickers?

[Barco] I have received no such request. If indeed [words indistinct] are giving technical assistance, then the request must have been made before I became president.

[Reporter] Mr President, today the U.S. prosecutor who is handling the Jorge Luis Ochoa case said that the Colombian judicial system boycotted the extradition treaty by releasing Ochoa in Colombia.

[Barco] He is generalizing. He is aware the judges act individually, and one judge did that, not the Colombian judicial system. The Colombian judicial system is very respectable. [end recording]

Minister on System, Ochoa

PA222341 Bogota Television Service in Spanish 1730 GMT 22 Aug 86

[Report by Mary Villalobos; passages within quotation marks recorded]

[Text] This morning the president of the Supreme Court, Fernando Uribe Restrepo, issued a communique in which he states that the magistrates not only feel like persecuted politicians without possibility of asylum but have become hostages to their positions, faced with continuous threats. Uribe Restrepo added that although the Army's guarding of the court is an extreme measure, it is the only way to defend it from its enemies.

Justice Minister Eduardo Suescun Monroy today rejected charges made by the U.S. and Spanish press concerning the Colombian justice system following the [Jorge Luis] Ochoa case.

[Suescun] "These are statements that clash with reality, because if there is any one country that has fought seriously against drug trafficking, it is Colombia. One must consider this. One must also consider that Colombian justice is a dignified, important, and autonomous kind of justice."

Regarding statements by the DEA that it has agents in Colombian territory to help in the capture of Ochoa, he said:

[Suescun] "The Colombian authorities should carry out arrests in the republic's territory."

However, he did agree that Colombian justice lacks physical, but not moral elements to face organized drug trafficking.

[Suescun] "That is the drama, the real drama. The system of penal justice has been isolated for a long time, left behind in the development process without modern work methods, without efficient ways to operate. It is in a very difficult condition to face the challenge that crime is presenting."

Search for Ochoa Continues

PA240310 Bogota Cadena Radial Super in Spanish 1730 GMT 23 Aug 86

[Text] Bogota -- Early yesterday morning units of the Colombian 8th Army Brigade began a search for Jorge Luis Ochoa Vasquez in the capital of Risaralda and nearby areas. The search has proved unsuccessful.

According to reports, raids were conducted in rural and urban areas where, according to military intelligence, drug traffickers presumably make cocaine or have their center of operations.

In addition, properties belonging to drug traffickers (Carlos Leder), Santa Cruz Londono, and Evaristo Porras were seized.

STRICT SECURITY MEASURES TAKEN AT SUPREME COURT

PA220404 Madrid EFE in Spanish 0121 GMT 22 Aug 86

[Text] Bogota, 21 Aug (EFE) -- Beginning today, a strong military guard will be deployed at the headquarters of the Colombian Supreme Court of Justice, in downtown Bogota; almost all of its members have been threatened with death.

Units of the Army's 13th Brigade are patrolling the areas surrounding the buildings as a protection measure "to provide security and dignity" to the judges of the Republic, as instructed by President Virgilio Barco Vargas.

The measures have been implemented after several anonymous messages were received which stated that "the court magistrates will be killed one by one," and added: "No one will survive."

The anonymous person alluded in particular to the magistrates who are working on the requests for extradition of drug traffickers to the United States.

The threats have been constant since 31 July, when Magistrate Hernando Baquero Borda was killed on a street in the northern part of Bogota.

Baquero Borda was assigned to the Criminal Court and was co-author of the extradition treaty in force with the United States since 1980.

ELECTIONS COUNCIL ACKNOWLEDGES PATRIOTIC UNION

PA221531 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 22 Aug 86

[Text] The Patriotic Union [UP] has officially become the third Colombian party to be acknowledged by the Naitonal Elections Council. Today, the State Council will designate a UP militant to be the seventh member of the Elections Council. Alfredo Araujo Grau, president of the Elections Council, informed Caracol that the UP has fulfilled all of the legal requirements and has been granted legal status.

The UP emerged from the peace agreements signed between the Betancur administration and the FARC. It now enjoys all of the rights and obligations established by the laws that govern the political parties, which include presenting its accounting books, reports on the party's resources and financial status, banking privileges, as well as free access to the state media within the spaces established for proselytising activities.

AMERICA BATTALION INVOLVED IN ESCAPE, CLASH

PA231924 Paris AFP in Spanish 0157 GMT 23 Aug 86

[Text] Quito, 22 Aug (AFP) -- According to the terrorists themselves, at least one member of America Battalion, which is composed of subversives of three countries, participated in the rescue of one of its members on 19 August, an action which killed three policemen.

In a clandestine place, two journalists and a photographer from Quito received statements today from Leonardo Vera Viteri, who was rescued from the Eugenio Espejo Hospital in Quito, and "Captain Niclolas Cedeno," who identified himself as a member of America Battalion.

The youths insisted that they had not planned to kill the policemen; in fact, they were not aware of the presence of policemen in Vera's room.

Cedeno denied that the objective of Vera Viteri's rescue was to "eliminate" him; he said that the action responded to his wish to ensure that "no companero of ours remains in a prison" and issued threats as he demanded freedom for its members.

According to local press reporters from the evening paper LA HORA and a newscast from a local radio network, an individual who appeared to be a leader of America Battalion said that "if jail doors are not opened, we will open them."

America Battalion was established a few months ago in Colombia with the participation of the M-19, Tupac Amaru of Peru, and Alfaro Lives of Ecuador.

Meanwhile, Vera, who was left wounded in a hospital on 18 December 1985, after an attempt to kidnap Quito Businessman Eduardo Granda Garces, who also suffered bullet wounds, said that he knew nothing about the operation; in fact, he was surprised to hear the gunshots.

Vera said: "Police casualties were not the result of a murder attempt but of a clash, because they did not hear the stop warning and reacted to the situation."

All sectors of the country censured the incident involving the three policemen and labeled it a murder, because they were not allowed to defend themselves.

Vera was rescued on Tuesday after Kleber Gia Butamante escaped on Sunday from the penal center in Quito. Therefore, his escape was linked to the action at the Eugenio Espejo Hospital. According to Police Commander Luis Suarez, this possibility has not been ruled out by the police,

However, there were rumors that Vera would be executed by the Alfaro Lives group because he reportedly cooperated with a police operation in which Fausto Basantes, identified by Ecuadoran subversives themselves as second in command, was killed early this year.

PRESIDENT, OPPOSITION LEADERS DISCUSS AMNESTY

PY222238 Montevideo Radio Carve in Spanish 0930 GMT 22 Aug 86

[Excerpt] The government and the opposition in the past few hours began final discussions on the controversial case of human rights violations by military men and policemen under the previous de facto government. President Julio Sanguinetti met with his advisers and with opposition leaders.

The first opposition member to meet the president was Broad Front President Liber Seregni, who said his coalition believes that an unconditional amnesty granted before investigating human rights violations is absolutely unacceptable. Seregni said that this position does not reflect stubbornness, but rather consistency with the policy that the Front has adopted on the issue. After comprehensive debates on the political and legal sides of the issue, we concluded that Congress is the most suitable place in which to work out a solution, which we expect to find, he added. Seregni reiterated that the Broad Front believes that the issue should be resolved and the country's democratic stability should be preserved. Therefore, neither our actions nor our omissions should lead us to the conclusion that democracy does not have sound foundations, because to the extent that we admit that society agrees to impunity and arbitrariness, we shall be undermining democracy.

Sanguinetti also met with Civic Union Executive Board President Humberto Ciganda, who did not say whether his party would support the government-sponsored amnesty bill, because the details of the bill have not been made known yet. However, Ciganda said his party adopted a position on the human rights issue long ago, adding that the Civic Union believes that the courts must clarify all specific and proven charges. He explained that his party wants human rights respected and justice preserved, and that, consequently, it advocates clarification of the charges that were leveled before the courts and for which specific evidence has been furnished. The party does not support the investigation into vague charges which can not be properly clarified, he remarked. [passage omitted]

Broad Front Rejects Amnesty

PY230232 Madrid EFE in Spanish 1923 GMT 22 Aug 86

[Excerpt] Montevideo, 22 Aug (EFE) -- The leftist Broad Front coalition today decided to reject the Uruguayan Government's plan for amnesty for those who violated human rights and it also stated that the military men must be tried by civilian courts. In a communique released after a meeting of its Political Committee, the Broad Front, the country's third largest political organization, stated that the amnesty project "is an attack on the moral conscience of Uruguayan society, which will not allow those crimes, committed under the protection of the state apparatus, to go unpunished." The communique also states that the amnesty "is an attack against the country's pacification and the consolidation of its democracy, because if those crimes go unpunished it would cause frustration because those in power would be unable to make everyone respect the Constitution. [quotation marks as received]

After arguing against amnesty, the Broad Front, which is headed by General Liber Seregni, stated that it will maintain the commitments it has contracted with all the political parties after the country returned to democracy "in order to bring those who committed such crimes before the civilian courts." [passage omitted]

GROUPS CRITICIZE ACTIVITIES OF U.S. TRAWLERS

PA221919 Paris AFP in Spanish 1257 GMT 21 Aug 86

[Text] Caracas, 21 Aug (AFP) -- The Venezuelan Fishermen's Federation (Federacion Venezolana de Pesca de Altura] will boycott the activities of a U.S. fishing boat fleet in Venezuelan territorial waters, its President Marcos Jurado Blanco has revealed.

The federation, which has approximately 350 members on its roster, adopted the decision after concluding that the U.S. fishing boats Alice Mary and No Problem which the Caracas government authorized to fish in Caribbean waters, are violating Venezuelan law and can cause "serious ecological damage to the ocean fauna" of Venezuela.

According to the federation, the fleet was criticized in the United States for causing the extinction of many ocean species off the coasts of Florida and Puerto Rico by using the boulter system, or bottom rake fishing.

Meanwhile, spokesmen for the Professional Association of Merchant Marine Officers also rejected the activities of the U.S. fishing vessels.

The union leaders of the Venezuelan fishermen (Maritime Union) protested the activities of the U.S. fishing boats 2 days ago.

The permits were issued by the Transport and Communications and Agriculture and Livestock Ministries, which have offered to submit a report on the problem, but have not done so yet.

Trawlers Ordered Out

PA232004 Paris AFP in Spanish 1814 GMT 23 Aug 86

[Text] Caracas, 23 Aug (AFP) -- The Venezuelan Government today instructed two U.S. fishing vessels to sail out of the port of La Guaira (25 km north of Caracas and the country's main port), heeding complaints lodged by local fishermen's associations.

The fishing boats Alice Mary and No Problem, part of a fleet owned by U.S. citizen Al Marrit, ran into trouble after bottom rake fishing in Puerto Rico and Florida. They were fishing on the Venezuelan high seas with the authorization of the Agriculture and Livestock Ministry.

The Alice Mary docked at La Guaira 2 days ago with 12 tons of shark and swordfish.

The local fishermen's unions, merchant marine, and the Venezuelan Fishermen's Federation reported that they would boycott the boats. They also lodged complaints to the government here.

In addition to the American boats' fishing methods which have a negative effect on the ocean fauna, the fishermen's groups claimed the boats were in La Guaira without authorization, as they have been authorized to moor at the Porlamar piers, 500 km to the northeast, that they were violating labor laws, and that they were using the La Guaira commerical piers even though they are fishing vessels.

Today the Transport Ministry ordered the vessels to leave La Guaira.

SECRETARIAT CITES GORBACHEV REPLY TO GROUP OF SIX

PA241959 Mexico City XEW Television Network in Spanish 1600 GMT 24 Aug 86

[Text] The Foreign Relations Secretariat has released a communique reporting on Soviet leader Mikhail Gorbachev's reply to the proposal that the Group of Six made during their meeting in Ixtapa, Zihuatanejo, on 6 and 7 August.

In his letter, Gorbachev states that he totally agrees with the concepts on peace set forth in the Declaration of Mexico. He reaffirms his government's decision to extend the duration of the USSR's unilateral moratorium on nuclear weapons testing to 1 January 1987, explaining that that decision stems from the belief that the unrestrained growth of nuclear arsenals is not conducive to greater security for nuclear powers. Gorbachev states that if the United States joins the nuclear test moratorium, a new path will open toward the conclusion of a treaty altogether banning nuclear tests.

The letter sets forth the Soviet Union's willingness to accept the Group of Six proposal for a meeting between Soviet and American nuclear experts to discuss appropriate measures on nuclear tests and establish an effective system to verify nuclear testing agreements, in accordance with the annex to the Declaration of Mexico. The letter adds that the Soviet Union is willing to sign an agreement to stop nuclear testing at the eventual summit conference with President Ronald Reagan.

The Foreign Relations Secretariat notes that the statement by Mikhail Gorbachev is congruent with the proposal of the Declaration of Mexico, as during their next meeting, the leaders of the world's two nuclear powers will possibly arrive at specific disarmament agreements.

'HIGH-LEVEL' DELEGATION IN U.S. ON DEA AGENT CASE

PA241933 Mexico City XEW Television Network in Spanish 1600 GMT 24 Aug 86

[Text] A delegation of top-level officials in the Mexican Attorney General's Office is in the United States to meet with DEA leaders and discuss the case of agent Victor Cortes, who was reportedly tortured by Mexican police. Mexican Government sources said that a report on the investigation into the Victor Cortes case will be presented to the DEA.

The Attorney General's Office officials will show Victor Cortes photographs of Mexican policemen to assist him in identifying his captors.

This is the first high-level step taken to clarify the Victor Cortes incident.

Congress To Probe DEA Role

PA221710 Mexico City EL NACIONAL in Spanish 20 Aug 86 p 6

[Text] The National Congress' Permanent Commission yesterday agreed to request from the Foreign Relations Secretariat a report on the operational scope of DEA agents in Mexico.

The consultations are aimed at briefing the legislators on the agreements between Mexico and the United States to fight drug trafficking. It also seeks to define the function of foreign police agents in those actions.

According to Deputy Pedro Penaloza of the Revolutionary Workers' Party (PRT), DEA agents violate our national sovereignty.

This position was supported by the Mexican Workers' Party (PMT), the Socialist Unified Party of Mexico (PSUM), the Peoples Socialist Party (PPS), and, of course, the PRT.

The representatives of those factions in the Permanent Commission demanded an investigation of the existing agreements between Mexico and the United States on the subject of drug control.

Regarding the proposals, PRI Deputy Fernando Ortiz Arana said that the regulations of the Permanent Commission, as well as those of the Chambers of Deputies and Senate, were not being followed. He stressed that the creation of two commissions to investigate the agreements between the two nations on the subject of drug trafficking controls was inappropriate. This can be done only by the Chamber of Deputies' Vigilance Committee, he said. He added that only the Senate can either ratify or reject bilateral agreements, that is where those agreements are reviewed and analyzed.

He proposed asking the Senate's Foreign Relations Committee to request from the Foreign Secretariat the information concerning the cooperation agreements being discussed, as well as the terms of those agreements.

FOREIGN SECRETARY ON ECONOMY, U.S. VISIT

PA221952 Mexico City EL DIA in Spanish 18 Aug 86 p 3

[Text] It would be intolerable to subject Mexican society to a process of continuous adjustment that would entail the possibility of a recession, of an economic stagnation. We cannot permit this; that is why we have adopted the policy of injecting fresh resources to the Mexican economy so it will grow at a sustained rate in the next few years.

Foreign Secretary Bernardo Sepulveda Amor stated this yesterday in an interview with the official television. He stressed that the current renegotiation of the Mexican debt also involves changing the traditional viewpoint of some international financial institutions.

If in 1984, Mexico, along with the Cartagena Consensus, said that the creditors and the debtors had a joint responsibility, he added, the governments "in 1986 have assumed their share of the responsibility."

The foreign secretary said that as an important result of President Miguel de la Madrid's visit to Washington, it is now accepted that there are topics that deserve special attention. "The two governments have the responsibility of preventing any situation that might become an irritant between the two countries."

He added that the relationship between Mexico and the United States demands greater attention because it has gradually become more complex. Moreover, there are a number of topics in bilateral relations that already demand a solution. In view of the complexity of the relationship, we are going to resolve the issues.

Sepulveda Amor said that on the agenda of the talks they identified "a number of topics that can be resolved if there is political determination to do so." Regarding drug trafficking, an understanding was reached that this matter necessarily demands the cooperation of the two governments.

In reference to this topic, he explained that "it must be noted that in a good number of cases, the chain has its motive power on the U.S. side, the financing is there, the largest part of the profits is there, and the basic consumption is there."

Therefore, if one wants to attack the production and the initial start distribution of the drug, the other end of the chain must also be dealt with if one wants to be effective. With the establishment of a system of mutual cooperation, much more satisfactory results will surely be achieved.

As far as what is necessary so the financial package will function, the foreign secretary said that it must be accepted that Mexico has a real capacity to export manufactured and nonmanufactured products to the U.S. market.

"We must enter the trade field and make sure that there is a considerable expansion of the Mexican participation in world trade. This means that the expansion must not be centered on petroleum products."

He also indicated that the migration of Mexican workers to the United States is due to a structural phenomenon "because the U.S. economy, which needs the Mexican labor force, induces the migration." Mexico proposed that a system be established to fully guarantee the essential rights of our workers.

The United States has gradually accepted the Law of the Sea, which in 1980 Mexico was already demanding as a constitutional right and which the great majority of the members of the international community accepted by agreeing to the concept of the exclusive Economic Zone.

It is gradually being recognized, he added that Mexico has the right to the tuna in its patrimonial sea. We now have to be careful so that we will not export this product in excess, which would bring prices down.

Regarding foreign policy, Sepulveda Amor said "there is an active diplomacy which is independent, autonomous, proud, and forms part of our historic heritage."

He also said that Miguel de la Madrid will go to the UN General Assembly "to reaffirm the Mexican position on the value of the United Nations as an institution of peace and security and also to hold talks with various leaders."

In the rest of the year there will be an important number of visits from chiefs of state, and there are plans to accept the invitations from the Japanese and PRC Governments.

FINANCE SECRETARIAT REPORTS TO CONGRESS ON DEBT

PA221516 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 22 Aug 86

[Text] The Federal Government has assigned 4.014 trillion pesos for interest payment during the first semester of 1986, the Finance Secretariat reported today.

The report added that this payment resulted in a deficit of 2.907 trillion pesos in the government's budget from January to June.

In a report presented to the Congress, the Finance Secretariat said that the government's income totalled 5.614 trillion pesos, while expenses added up to 8.522 trillion pesos.

The Finance Secretariat said that as of 30 June the foreign debt had reached a total of U.S. $72.937 billion, of which only $240 million must be paid in less than 1 year.

The Federal Government's domestic debt currently totals 13.555 trillion pesos. Most of this debt is in form of treasury notes.

POLITICAL LEADERS VIEW PAN, CURRENT SITUATION

PA230317 Mexico City EL DIA in Spanish 18 Aug 86 p 2

[By Anibal Ramirez, Lauro Lopez, Matilde Perez, and Arnulfo de Santiago]

[Excerpts] The Confederation of Mexican Workers (CTM) has opposed the granting of privileges to the opposition because it is feared that this action will be regretted. The organization called for the political victories achieved at the ballot box to be defended, and demanded that the working class combat the enemy of the revolution, as neither the PAN [National Action Party] nor any other leftist or rightist party can guarantee changes in favor of the majority.

Roberto Castellanos Tovar, CROC [Revolutionary Confederation of Workers and Peasants] leader, has described the PAN as "a group of bad Mexicans whose leaders have reached such a degree of denationalization that they demand justice in front of the White House. Castellanos Tovar warned that Mexicans will reject every foreign intervention regardless of its origin.

Deputy Mario Rodolfo Campos Bravo, leader of the Issste [Institute of Social Security and Services for Government Workers], criticized PAN's political actions. He stated that the Mexican people became politcally mature many years ago and that he agrees with Mexico's democratic system and revolutionary regimes.

The CTM anticipated a political victory by the revolution over the rightist minorities because the rightists, represented by the PAN, want to remove fundamental constitution chapters for which that the people themselves won approval.

It also said that the working class will not let the Church tell the workers what to do and how to become educated. It said this after criticizing the political clergy for their insistent intervention in public affairs.

The leading workers' federation criticized the relationship between the PAN and the Republican Party, expressing opposition to a minority which, considering itself wealthy, wants to change the revolution's postulates and deliver Mexico into the hands of the U.S. Government.

Meanwhile, prominent members of the PRI's CEN [National Executive Committee] think that the few PAN members who stood in front of the U.S. Capitol last week in an attempt to discredit the Mexican regime only reflected their well-known stance of serving foreign interests. For the Mexican people, this position is of no political importance. [passage omitted]

In addition, National Peasant Confederation Secretary General Mario Hernandez Posadas termed as unacceptable PAN's antinationalist and antipopular posture, and condemned the party's practice of seeking the support of foreign organizations to settle matters that only concern Mexicans. [passage omitted]

"Once again, the reactionaries have gone to a foreign country to disparage the nation and request the intervention of the reactionaries' foreign allies, whose destabilization purpose is clear," Hernandez Posadas warned. He also said that the United States has already realized that the Mexican Government and people will never permit their destinies to be determined from abroad.

The accords signed by President de la Madrid and President Reagan were signed in the context of the Mexican people's nationalist nature and determination to continue to freely shape the nation's course.

He added that the people will not forsake the defense of their freedom and sovereignty, nor will they pay attention to those who only want to surrender the country's riches and seek personal profit.

In addition, Gilberto Rincon Gallardo, leader of the Unified Socialist Party of Mexico [PSUM], has said that Mexicans will solve the electoral problem for reasons of national dignity. Mexicans will not accept a policy treating the country like the Philippines [filipiniacion], with the U.S. intervening in the solution of Mexico's problems.

"The PAN is mistaken if it thinks that the struggle for democracy in Mexico requires tutors." Rather, there would be room for accords with the national political forces if they [the PAN members] limited their actions to the domestic area, as "we will not be accomplices to electoral fraud," Ricardo Gallardo said.

Regarding the results of President De la Madrid's working visit to Washington, Rincon Gallardo feels that the restoration of cordial relations with the United States "is only a temporary solution." He said that the accord with the IMF will only make the problems last longer and such an accord will last only a few months. "Today, the struggle is more complex than obtaining a credit." Interventionism will not cease, but continue, because economic integration has already reached such a level that the United States demands security and political guarantees for U.S. investments and the opening of the Mexican market to U.S. products.

DEFENSE SECRETARY ON ANTIDRUG OPERATION

PA221549 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 22 Aug 86

[Text] A total of 16,769 members of the Mexican Army participated in an antidrug lightning operation. This was reported to President Miguel de la Madrid by National Defense Secretary General Juan Arevalo Gardoqui.

The operation included nine military zones. The Army destroyed 332 poppy plants and 7,215 marijuana plants; confiscated 333 kg of packed marijuana, 49 kg of marijuana seeds, 6 kg of poppyseeds, and 14,700 toxic pills. In addition, 1,922 firearms of various types and calibers were confiscated. as well as equipment used in drug plantations.

Gen Arevalo Gardoqui appealed to state and minicipal authorities to coordinate efforts with the military in the struggle against drug trafficking. He spoke highly of Yucatan's Governor Victor Cervera Pacheco for his concern over this problem and his constant contacts with the commanders of the 32d military zone.

HEALTH SECRETARY ANNOUNCES BELIZE AGREEMENT

FL221320 Mexico City NOTIMEX in Spanish 0439 GMT 22 Aug 86

[Excerpt] Belize, 21 Aug, (NOTIMEX) -- Mexico and Belize have agreed to sign a letter of intention in the area of health to control dengue and malaria epidemics at the border with Quintana Roo.

The agreement was announced jointly by Health Secretary Guillermo Soberon Acevedo and Belizean Prime Minister Manuel Esquivel during the fourth bilateral meeting held to assess the progress made in health matters. [passage omitted]

BRIEFS

DIPLOMATIC APPOINTMENTS -- Foreign Secretary Bernardo Sepulveda Amor has appointed Ambassadors Antonio Villegas Villalobos and Daniel de la Pedraja as chief for Latin America and the Caribbean and Africa, Asia and Oceania, respectively. [Excerpt] [Mexico City NOTIMEX in Spanish 1701 GMT 23 Aug 86 FL]

INCREASED AIRPORT SECURITY -- As part of the government's campaign against drug trafficking, private planes and helicopters that arrive at any of Mexico's 56 airports without previous permission or after the airports have closed will be refused fuel and be subject to investigation by the government, the government announced Monday. Humberto Lugo Gil, director of the Airports and Auxiliary Services Authority, said he has issued instructions to airport administrators to step up surveillance of aircrafts suspected of carrying drugs. Lugo, speaking at the fourth national meeting of the Airport Administration, said that 11 of Mexico's airports will undergo increased security. [Excerpt] [Mexico City THE NEWS in English 20 Aug 86 p 6 PA]

MARIJUANA PLANTATION DESTROYED -- Judicial Police agents have destroyed 70 hectares of marijuana in the Chihuahua mountain range. It is estimated that this discovery was the most important in the past few years in the struggle against drug trafficking and was part of the "Pacific Seven" operation begun by the country's Attorney General Office, in coordination with the National Defense Secretariat, 8 days ago. [Summary] [Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 19 Aug 86 PA]

DRUG TRAFFICKERS ARRESTED -- The attorney general's office has arrested 23 drug traffickers from a gang which had in its possession 231 kg of pure cocaine. The cocaine is worth more than $30 million. [Text] [Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 20 Aug 86 PA]

CONTRA TRAINING REJECTED FROM MANY SIDES

Delvalle Opposed

PA231841 Panama City CRITICA in Spanish 23 Aug 86 p 1

[Text] Penonome (Special Service) -- President Eric Arturo Delvalle said yesterday that he is opposed to having Panamanian territory used to provide military training for the Nicaraguan contras.

President Delvalle's statements came in response to international dispatches from various news agencies which mentioned Honduras, El Salvador, and Panama as possible centers of military instruction for the Nicaraguan guerrillas, who are struggling to topple the Sandinist government.

The president also said he is against Panama's being used to launch campaigns against any country because he believes firmly in peoples' right to self-determiniation.

Panama, President Delvalle added, seeks a dialogue and a negotiated and constructive peace, and not a war in Central America.

Cabrera: Increases 'Tension'

PA231317 Panama City ACAN in Spanish 0335 GMT 23 Aug 86

[Text] Panama City, 22 Aug (ACAN-EFE) -- Panamanian Deputy Foreign Minister Jose Maria Cabrera said today that U.S. media reports are a source of tension in the area and a reason for concern of the Contadora countries." [quotation mark as received]

THE NEW YORK TIMES reported that U.S. military forces stationed in the Canal area are going to train contra groups in view of the refusal of Honduran President Jose Azcona Hoyo to lend Honduran territory for that purpose.

"It is a reason for concern of the countries of the Contadora Group (Mexico, Colombia, Venezuela, and Panama) because it is a source that increases existing regional tension," he said.

Cabrera stressed that the reports from the U.S. media only contribute to increasing "the quota of blood that Central America is paying as a result of the regional crisis."

PRD Leader Also Opposed

PA221750 Panama City ACAN in Spanish 1716 GMT 22 Aug 86

[By Manuel Terrientes]

[Excerpts] Panama City, 22 Aug (ACAN-EFE) -- The ruling Democratic Revolutionary Party [PRD] today condemned the U.S. Government pretensions to train anti-Sandinist units on U.S. military bases on the banks of the Panama Canal.

Nils Castro, PRD secretary for international affairs, told ACAN-EFE that the report by THE NEW YORK TIMES could "be another instance of slander against Panama or a test balloon to check Panama's reactions."

"It could also be another provocation against our country," said Castro, a leader of the party founded by the late General Omar Torrijos. [passage omitted]

Castro remarked: "Torrijos' followers reject outright the possibility that that training be held here. We would consider it a lack of respect toward our sovereignty and foreign policy, as well as toward the Contadora Group and the just interests of Latin America."

Panama, Colombia, Mexico, and Venezuela comprise the Contadora Group, which for the past 3 years has been negotiating for a political and peaceful resolution of the Central American conflict.

Castro told ACAN-EFE: "The U.S. military bases are temporarily in Panama exclusively to defend the Panama Canal."

He added: "Any other activity on those bases violates the word and spirit of the Torrijos-Carter Treaties," which will grant Panama full sovereignty over the canal's installations in the year 2000.

"For the same reason, the political activities that the head of those troops has been undertaking in several areas countries is also questionable," Castro said.

The PRD international affairs commission demanded that the Panama Foreign Ministry "duly clarify the irregularities, and submit a report on the case at the Nonaligned Movement summit to take place in Zimbabwe."

$88.3 MILLION IN OIL PURCHASES OWED TO MEXICO

FL222136 Mexico City NOTIMEX in Spanish 2056 GMT 22 Aug 86

[By correspondent Ana Maria Lasso]

[Text] Panama, 22 Aug (NOTIMEX) -- Panama owes Mexico $18.3 million for oil purchases made this year and $70 million more for purchases made in past years, Mexican Ambassador to Panama Carlos Planck has stressed.

During a press conference, Planck rejected press versions that the San Jose Pact would affect Panama. Periodically the local media has conducted polls on the energy agreement.

Recently, Planning and Economic Policy Minister Ricaurte Vazquez questioned why Mexico is not forwarding the 20 percent of the oil invoices which, according to the San Jose Pact, should be deposited in Panama's Central Bank for development programs.

The diplomat noted that the $9 million in arrears will soon be corrected and added that Panama owes $18.3 in 1986 for Mexican oil purchases, in addition to $70 million from previous years. He noted that the Central Bank has $66.4 million in deposit for 20 percent of the oil invoices which Panama has not yet used in development projects, as provided for by the San Jose Pact.

BELIZE

ESQUIVEL WELCOMES UK, GUATEMALAN RELATIONS

FL221239 Bonaire Trans World Radio in English 1130 GMT 22 Aug 86

[Text] Belizean Prime Minister Esquivel has welcomed the move by Britain and Guatemala to reestablish diplomatic relations. The two countries had severed relations in 1981, when Belize was granted independence by Great Britain.

COSTA RICA

ARIAS: SANDINISTS RESPONSIBLE FOR C.A. SITUATION

PA231311 San Jose LA REPUBLICA in Spanish 15 Aug 86 p 4

[Text] "The Nicaraguan rulers, the nine commanders, are responsible for the situation in Central America," President Oscar Arias Sanchez said yesterday. He also made some revelations about Daniel Ortega Saavedra's stance during the meeting at Esquipulas on 23 and 24 May.

As might be recalled, the five Central American presidents met on that occasion, on the initiative of Guatemalan President Vinicio Cerezo, to discuss the Central American parliament.

During an impromptu press conference after the BANEX [not further identified] inauguration yesterday, Arias said that it was suggested to Ortega in Esquipulas "that there be ideological pluralism and other guarantees in Nicaragua."

"He failed to heed this suggestion. Instead, we saw LA PRENSA closed in the past few weeks. This paper had been directed by the late Pedro Joaquin Chamorro. Actions against high church prelates already familiar to the Costa Rican people and other measures occurred later."

When Ortega met with Presidents Arias, Jose Azcona of Honduras, Napoleon Duarte of El Salvador, and Cerezo, the situation and the need for an opening toward democratization in Nicaragua were presented to Ortega. He reacted by attacking Costa Rica's democracy. He said that there is democracy in Nicaragua, too, and that democracy is a matter of interpretation.

After an exchange of views among the five presidents, Ortega introduced his five points. The discussion came to an end.

These are the five points: 1) Nicaragua does not have to ask anybody's permission to choose its friends; 2) Nicaragua believes in the Sandinist revolution, and this is an irreversible process; 3) Nicaragua will carry its revolution as far as necessary and is determined to back revolutionary movements throughout Latin America; 4) Nicaragua will not disarm itself under any circumstances whatsoever; and 5) Nicaragua will not permit international organizations to inspect it under any circumstances.

Commenting on the U.S. Senate's approval of Resolution 53-47 dealing with $100 million in aid for the rebel groups struggling for Nicaragua's freedom, President Arias said: "The result of the voting had been virtually decided some days previously, because it is well-known that the Republican Party enjoys a majority, although small, in the Senate."

Arias said this about the aid: "I have said here, and I said it in Colombia last week, that I would rather have a peaceful solution in Central America. This has not occurred. The Sandinist government gradually closed the space."

Arias also said that he remains "very much concerned as the Costa Rican president, as a Central American, and as a Costa Rican citizen over the consequences of the war in Nicaragua."

"My greatest concern is over Costa Rica." He considered one of the aspects by which Costa Rica will be affected by the stepping up of war in Nicaragua:

"More Nicaraguans will arrive. In accordance with the World Refugees Agreement, we cannot turn them away."

"During my stay in Bogota I even spoke to U.S. Secretary of State George Shultz about Costa Rica's situation. In this country there are 250,000 foreigners (9 percent of the country's current population), many of whom are Nicaraguans," Arias said.

He added: "Costa Rica might even lose its own identity."

Asked about U.S. Senator (D) Ted Kennedy's remarks that "the approval of the $100 million is the beginning of another Vietnam," Arias said he does not believe this. "I do not believe this, because President Reagan has solemnly pledged to the U.S. people that not a single U.S. soldier will be sent to Nicaragua. I have no reason to doubt the U.S. President's word."

For the first time in his 100 days of government, Arias described the border with Nicaragua as "the border with oppression, the border with the Marxist regime."

Arias said he would "travel to San Carlos, near this border with oppression."

On other topics, Arias said:

A) South Africa: "My view is well known and definite. We even broke relations with this country. Discrimination due to the color of one's skin is incredible so late in this century, in 1986."

B) Great Britain: "Mrs Thatcher, whose country has very strong ties with South Africa, seems to think more about English businessmen than about the South African people."

C) Chile: "Let us consider Chile. I oppose what happens in South Africa, what happens in Nicaragua, and what happens in Chile with Pinochet."

D) Courtesies: [The privilege each country extends to the citizens of the other to import duty-free up to $25 worth of merchandise bought in special stores on the border. Costa Rica recently withdrew the courtesy.] "We will continue to consider this problem of the border with Panama. We hope to resolve it soon."

E) Budget: "It is true that the ministries have requested about 51 billion colones, but this is their first request. This figure will be reduced gradually. We will report on this in a week."

ADMINISTRATION MAINTAINS COOL RELATIONS WITH MANAGUA

FL221943 Mexico City NOTIMEX in Spanish 1516 GMT 22 Aug 86

[By correspondent Oscar Hidalgo]

[Text] San Jose, Costa Rica, 22 Aug (NOTIMEX) -- President Oscar Arias has confirmed that for the time being the post of ambassador to Nicaragua will not be filled. In response to an article published in the daily LA NACION, the chief of state noted that it is not urgent to designate the new diplomatic representative to Managua.

Arias abstained from spelling out the reasons for that decision, but it has been rumored for the past 2 weeks that the action is in response to the accusation made against Costa Rica by Nicaragua before the World Court in The Hague.

Cool diplomatic relations between Costa Rica and Nicaragua have occurred twice before, during the government of President Luis Alberto Monge.

Immediately after the inauguration last May President Arias' administration designated as ambassador to Nicaragua the former Foreign Ministry's Foreign Policy Director Alvar Antillon. However, Antillon did not accept the post, and the designation of a new ambassador was postponed indefinitely. By them, the former ambassador to Managua, journalist Oscar Castro Vega, had already returned home. All other attaches of the diplomatic mission were also withdrawn, the only exception being Moises Valituti who was designated consul.

EL SALVADOR

GOVERNMENT, REBELS AGREE ON THIRD MEETING

PA231305 San Salvador Radio Cadena YSU in Spanish 1231 GMT 23 Aug 86

[Communique issued by San Salvador Archbishop Msgr Arturo Rivera y Damas, "intermediary in the dialogue," in Mexico City on 22 August, read by Communications Minister Julio Adolfo Rey Prendes -- live or recorded]

[Text] The Salvadoran presidential and FMLN-FDR delegations which met in Mexico City amid a climate intent on reaching an understanding to establish the place, date, and procedures of the third round of dialogue for peace, have reached the following results:

1. The city of Sesori in San Miguel Department, Republic of El Salvador, was designated as the place for the third round of talks.

2. The date chosen for the meeting is 19 September 1986.

3. The two delegations leave open the possibility of modifying, by mutual agreement, the date and place agreed upon for the holding of the third round.

4. The following points of agreement are pending: details on security, communications, mobilization, and the search for alternatives to implement the following passage of the joint communique of La Palma: B) Develop mechanisms to incorporate all sectors of the Salvadoran society in the peace efforts. The agenda of the third round was not discussed.

5. It was decided that a second private meeting will be held during the first 2 weeks of September 1986 to resolve the points pending agreement.

6. [The delegations] thank the Mexican people and government for their hospitality and the conveniences afforded them for holding this round of talks.

Castillo on Proposals

PA232050 Paris AFP in Spanish 1912 GMT 23 Aug 86

[Text] Mexico City, 23 Aug (AFP) -- Rodolfo Castillo, vice president and foreign minister, said today in Mexico that the central point of the government's proposal to the Salvadoran insurgency during the third round of the dialogue, which will take place on 19 September in the rural El Salvador, will be that they put down their weapons and return to democratic, political life.

During a press conference the governmental delegation that participated in a preparatory meeting of the dialogue, which began on 20 August, made it clear that the issue of an eventual exchange of political prisoners for Colonel Omar Avalos, who is in the hands of the guerrillas, was not discussed.

Fidel Chavez, the deputy minister of planning [title as received], said that the proposal to be presented to the guerrillas has three main points: the incorporation of combatants into the family nucleus, economic life, and politics. To facilitate this, a total amnesty would be decreed, granting them the same rights enjoyed by all Salvadorans, and the various insurgent groups would be legalized. He added: "Should they not accept, our goal would be to achieve a humanization of the conflict to spare the Salvadoran people greater suffering."

It was said that the issue involving Col Avalos will be presented to Msgr Arturo Rivera y Damas, who acted as mediator in Mexico, who will in turn personally present it to Salvadoran President Jose Napoleon Duarte.

According to Culture Minister Julio Rey Prendes, the government is not willing to agree to a general military truce while the dialogue is taking place in Sesori. He added: "The two sides could agree not to carry out operations on the pathways or areas being used for the meeting, but that is very different from establishing a truce; we are not willing to accept a truce, because that would involve having to withdraw our forces and allow the guerrillas to mobilize large contingents to inflict an unexpected blow on us after the meeting."

Meanwhile, Castillo said that the date and place for the second preparatory meeting that will take place during the first half of September will be determined through mediator Rivera y Damas. The vice president said: "We were surprised by the insurgents' proposal to meet in Sesori after the government's refusal to meet in San Salvador, because Sesori is one of the areas most badly stricken by the guerrillas, where there is no water, electricity, and almost no people."

He added: "We will have to work hard to reestablish telephone lines, bridges, roads, and everything else required for this kind of meeting." He pointed out that according to the agreement reached, the place and date can be changed only be a common agreement. Points still pending discussion are no justification, regardless of whether an agreement is reached, to change the place or date.

Some of the points not agreed upon include those that the insurgency deems most important: the meeting's agenda, who will guarantee security, and the participation of social and humanitarian organizations.

Samayoa on Dialogue

PA232303 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 23 Aug 86

[Telephone interview with FMLN representative Salvador Samayoa in Mexico City by unidentified reporter -- live]

[Text] [Reporter] Dear Radio Sonora listeners, we now establish contact with Messrs Jorge Villacorta [as heard] and Salvador Samayoa in Mexico City. They represented the FDR [as heard] during the preparatory meetings which were held in Mexico City. Is this Mr Jorge Samayoa?

[Samayoa] Salvador Samayoa.

[Reporter] Yes. What can you tell us about the agreements reached in Mexico City?

[Samayoa] Well, frankly, there were only two tentative agreements, concerning the place and date. We say they are tentative, because all the topics concerning security measures, particularly about the agenda to be discussed during the dialogue, are still pending. The problem is that the government party insists that the meeting should be held to discuss partial measures to humanize the war, The FMLN-FDR position is that the political measures should be discussed to end the war and achieve peace. Consequently, there is a problem between the government and our fronts concerning the basic outlook, and this must be overcome to decide on the agenda. Furthermore, we have to overcome the problem of security matters which are still pending approval.

So we have tentatively agreed on 19 September for the meeting in Sesori, but this could be changed -- it all depends on whether we reach an agreement, Another point still pending is about the participation in the dialogue of all the political and social sectors. This is something which our fronts advocate, and we struggled a lot during the meetings in Mexico City so that observers could be allowed to attend the dialogue. The government representatives did not agree with the way we proposed the participation of the people in the peace process. All these points are still pending, and the dialogue could be held on 19 September, providing these problems are solved.

[Reporter] Mr Samayoa, you initially proposed to the government that the dialogue be held in the city of San Salvador, but you changed the proposal at the last minute.

[Samayoa] Yes, the problem was that we could not overcome a stalemate during the 2 days concerning where to hold the dialogue. The government does not want to hold the dialogue in San Salvador. The basic problem remains without solution.

In other words, they do not want to permit the parties and popular organizations to participate. They do not want mobilizations for the dialogue, because they believe that this is a show. We think it is necessary to encourage the dialogue and to search for peace. Consequently, they did not accept San Salvador.

Since there were some security problems we opted for the formula which includes Sesori, because that is an area which allows the free mobilization of the FMLN military units and its rearguard. This provides us with better security, because we cannot accept their proposal that our security fully depend on the government's Armed Forces.

[Reporter] Referring to this proposal, was there any indifference or refusal from the government to accept it?

[Samayoa] No, the proposal on Sesori was eventually accepted by the government after we had discarded several alternatives in San Salvador and several alternatives in the eastern side. Engineer Duarte's initial proposal was also discarded; he wanted to hold the dialogue in the city of San Miguel, [San Francisco] Gotera, or Berlin. So, this was like a compromise -- given that they did not accept our proposal of San Salvador; furthermore, we accepted their first proposal to hold the dialogue in the eastern zone.

[Reporter] Furthermore, some international news media reported that you would hold meetings with Msgr Rivera y Damas during your stay in Mexico City, to discuss the exchange of Col Napoleon Avalos. Is this true?

[Samayoa] Hello?

[Reporter] Yes. Some international news media recently reported that you would hold meetings with Msgr Rivera y Damas during your stay in Mexico City. What results have you had? Did you hold the meeting?

[Samayoa] Yes. Look, we held the meetings, but nothing specific was achieved because -- to be frank -- the church has a list of approximately 950 persons who are political prisoners. This includes labor union and humanitarian organization leaders, as well as civilians who have been kidnapped in the zones which are currently under dispute.

Consequently, based on this list of 950 persons, the church brought us a much shorter, or purged, version, listing only 23 persons who would be released by the government. We told the church that this is a painful situation for Salvadoran families; they want to see their sons, brothers, or relatives who have been unjustly imprisoned or reported missing. We believe the list should be increased to provide the appropriate basis for a negotiation. We have reached a specific agreement: The church will increase the list and deliver it to us on 1 September. We might then proceed to specific negotiations for Col Avalos' release and to attain freedom for the labor and political leaders who are currently in prison.

[Reporter] Returning to the topic of the dialogue. What specific results or achievements do you expect to attain -- or believe that you can attain -- after the third dialogue?

[Samayoa] Well, we want to seek the possibility of attaining a political solution to the conflict, with the participation of all the country's sectors.

Now then, we forsee a problem: The government is too weak, suffering many internal disputes, and has very little margin to adopt decisions. Given that it has many commitments with the so-called extreme right sectors, it has practically no capacity to make pledges in the search for peace. Nevertheless, we will continue to exert ourselves, because peace is a just hope following these last 6 years of a generalized war, and our responsibility is to exert ourselves to the utmost.

[Reporter] To conclude, Mr Samayoa, do you have any message for the Salvadoran people? The microphones are yours.

[Samayoa] Thank you very much. Our message is quite clear. We believe that all the political and social sectors should step up the struggle and demand participation in the peace process, particularly in the dialogue, because this is a problem which affects all Salvadorans, and all Salvadorans should seek a solution. Napoleon Duarte's government cannot pretend that it will be allowed to continue the dialogue without accepting the people's participation. We cannot possibly try to secure peace with justice and dignity without the people's participation. This is the specific message I have to send. I would like to reassert that we steadfastly defend this position during the talks in Mexico City, even though we could not reach agreement given the government party's stubborn attitude.

[Reporter] Mr Samayoa, I almost forgot another question. Radio Venceremos yesterday annouced a transportation stoppage for tomorrow. Do you not believe that this might interfere with the preparatory meetings for a dialogue?

[Samayoa] Absolutely not, because that is a large-scale operation at a national level, meaning a transportation stoppage and takeover of the main highways in the country. This is quite logical given that the military confrontation has not been suspended in any way. By the way, we recall that the government has not agreed to declare a military truce during the third dialogue, and this was a point which we discussed here. We cannot hold peace talks in a climate marked by confrontation.

Thus, the parties could prove their real political position by agreeing to decree a partial cease-fire, at least during the dialogue, to facilitate the negotiations.

[Reporter] Radio Cadena Sonora listeners, this was Dr Salvador Samayoa, spokesman for the FDR, from Mexico City.

[Samayoa] of the FMLN, not the FDR.

[Reporter] FDR-FMLN.

[Samayoa] Yes.

[Reporter] Well, we conclude our report. Please remain alert, we will continue with our reports later.

Rebel Notes Unresolved Issues

PA232135 San Salvador Radio Cadena YSU in Spanish 1800 GMT 23 Aug 86

[Telephone interview with FDR member Jose Mario Lopez in Mexico City by unidentified reporter on 23 August -- recorded]

[Text] The Salvadoran Government and guerrillas last night in Mexico agreed to hold a third round of talks on 19 September in Sesori, 153 km east of San Salvador, in eastern San Miguel Department. Arrangements for the new round of top-level talks came 1 and 1/2 years after the first two meetings in La Palma and Ayagualo between the sides in conflict in our country. Jose Mario Lopez, a member of the FMLN-FDR Political-Diplomatic Commission, said that if the Salvadoran Government does not establish security mechanisms for the third round of talks, there will be no firm decision regarding the place and date of the meeting.

[Begin recording] [Lopez] Given the limitations of the government delegation, which did not allow for agreements on other aspects of the preparations, such as the security issue, we cannot definitely establish a site. You must understand that the place where a meeting is held depends on security aspects. The government has refused -- and Engineer Duarte said this publicly -- to agree to a truce for this meeting, in spite of the fact that when his daughter was released there was a truce. Now that the issues at hand are of national interest, the government is refusing the truce. During the meetings in La Palma and Ayagualo there were truces. Therefore, there is a precedent, and it is necessary to apply this rule as a matter of security.

However, security issues were not discussed, because the government delegation was not authorized to discuss them. Therefore, if the security issues are not established and are unresolved, the place and even the date will not be firm.

[Reporter] It has been reported in the country that the president said he cannot talk about a truce and that the insurgent delegation would not have any problems because he would ensure security. This is why he proposed the towns of Berlin, Usulutan, San Francisco Gotera, and San Miguel for the dialogue. Why did you not agree to these towns?

[Lopez] We must take various factors into account. We struggled a great deal to hold the meeting in San Salvador, with the special interest of having the various national sectors somehow participate as observers in this round of talks. Other areas make this aspect difficult, and there are other security issues such as the fact that diplomatic representations always serve as elements of security for both sides. San Salvador has the largest sector, or rather San Salvador is the center of all of the diplomatic headquarters in the country.

Finally, in order to save the dialogue, we proposed a small town in the eastern part of the country, Sesori, as we were taking these security aspects into account. Sesori has an FMLN rearguard, and it met other conditions that lessen the security problems. You must understand that we cannot leave security in the Army's hands. We are two sectors in conflict; we have precedents as serious as the murder of FDR leaders, the murder of Msgr Romero, and violations of the truces that have been agreed upon on other occasions. Therefore, we cannot leave security in the hands of the Armed Forces, not under these conditions.

This is quite normal, considering the situation. The government has emphatically refused to call a truce during the talks, even though it is more sensible to have a truce. How can the participants in the talks move from the war fronts to the place, stay there, and return to the war fronts -- even if they are escorted by members of the diplomatic corps, church, and Red Cross -- without a truce to guarantee their safe passage? The government and Army are being intransigent. They have said that the hostilities will not be suspended. This is one reason for the transportation stoppage.

[Reporter] Will you say whether you want to change the place for the talks during the 15 September preparatory talks?

[Lopez] This is related to other problems, particularly the security problem. We do not want to change the place. Agreement has been reached on this, and we are willing to stick to it. However, if the government and Army do not offer us the necessary security guarantees, then we will have to seek better guarantees. Several factors must be taken into consideration. The government delegation came to the meeting as the representatives of President Duarte, not as government representatives. There were no Army representatives in that delegation. Colonel Lopez Nuila came as an advisor to the meeting but not as a member of the delegation. There is a certain move to evade commitments in this respect. It is noteworthy that despite his being deputy security minister and acting as an adviser, security factors were not discussed during the meetings.

[Reporter] Can we then say that the absence of a high-ranking military officer was one of the problems encountered?

[Lopez] No, it is not the absence that mattered, but the delegation's inability to discuss these aspects. [end recording]

Meanwhile, it was confirmed in Mexico that Salvadoran President Jose Napoleon Duarte will head the government delegation that will be in Sesori, San Miguel Department, on 19 September. The FMLN-FDR delegation will be headed by Joaquin Villalobos and Commander Leonel Gonzalez, as well as by politicans Guillermo Ungo and Ruben Zamora.

FMLN-FDR Communique

PA241550 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 24 Aug 86

[Communique issued by FMLN General Command and FDR Executive Committee in El Salvador on 23 August]

[Text] The first stage of the preparations for the third meeting of the dialogue ended on 22 August. Our fronts state the following with regard to the development and results of this meeting:

1. The preparatory meeting began on the evening of 20 August and lasted 2 days, during which aspects concerning the agreements on the third dialogue were discussed. Both sides maintained an attitude of understanding. However, the results of this meeting in Mexico were incomplete, in large part because of the government delegation's limited powers to reach agreements.

2. In view of the government's rejection of San Salvador as the site, claiming political reasons, and in order to make the third meeting viable, the FMLN-FDR proposed the town of Sesori, which was accepted by the government delegation. We chose Sesori because, it is not under the military control of the Armed Forces and therefore provides minimum security hazards.

3. Based on a proposal from our fronts, it was agreed to hold the third meeting of the dialogue on 19 September on the assumption that agreements will be reached on operational aspects still pending.

4. Consequently, there are other important aspects on which agreement must be reached to guarantee that the third meeting will be held. By virtue of this, it was agreed to continue the process of preparations during another meeting to be held during the first fortnight of September.

We will continue to advocate the participation of observers from the various national sectors in the third dialogue. The truce proposed by our fronts forms part of the security conditions which are still pending agreement, because it constitutes an elementary measure that has been implemented on other occasions, such as when Engineer Duarte's daughter was released.

The agenda of the third meeting of the dialogue is still pending. The FMLN-FDR appeal to all of the national sectors and patriotic organizations to continue struggle actively for the continuation of the dialogue to achieve a political solution and for their legitimate right to participate in it.

The step taken in Mexico must be successfully completed so we can come closer to the peace with justice and freedom all of us seek. United to fight until final victory. Revolution or death, we will overcome!

El Salvador, 23 August 1986
FMLN General Command
FDR Executive Committee

FMLN ANNOUNCES 24 AUGUST TRANSPORTATION BAN

PA230253 (Clandestine) Radio Venceremos in Spanish to El Salvador 0005 GMT 23 Aug 86

[Text] Radio Venceremos, official voice of the FMLN, begins this hour's broadcast by reporting to all the people our General Command's instructions for a national transportation stoppage. We urge our people to remain alert, because the FMLN General Command will decree a national transportation stoppage effective Sunday, 24 August, to continue with our policy of boycotting the regime's war economy. We also urge all our units to prepare to carry out this order effectively. A national transportation stoppage will be enforced on Sunday, 24 August.

AIR FORCE HELICOPTER CRASHES IN MORAZAN

PA230157 Panama City ACAN in Spanish 2154 GMT 22 Aug 86

[Excerpt] San Salvador, 22 Aug (ACAN-EFE) -- Military sources have reported that a helicopter from the Salvadoran Air Force crashed today in eastern Morazan Department. One soldier was injured as a result. Coprefa reported that the helicopter crashed this morning near Cachuatique Hill, in the north of conflict-ridden Morazan Department. According to the Armed Forces source, the "UH-1H" helicopter was damaged by the impact and one soldier was injured.

Since 13 August the Salvadoran Army has been carrying out a search operation for FMLN hideouts near the place where the accident occurred. [passage omitted]

Venceremos Comments

PA230234 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 23 Aug 86

[Text] The black winter continues for the Duartist Air Force in Morazan! The puppet Armed Forces began their failures during the enemy operation carried out last May, when our antiaircraft units shot down a costly helicopter gunship. The Duartist Army's current operation in Morazan is proving to be even worse. We recall that we downed one of their helicopters on 16 August without firing a single shot. It was brought down by one of the many booby traps we have laid out throughout Morazan Department. Last Saturday the helicopter fell into a network of our cables like a clumsy fly.

On the morning of 22 August another helicopter crashed in Morazan close to Cacaguatique. It has fallen, and the Coprefa has accepted it. What is the matter with the puppet Air Force? The pilots who appear so courageous when bombing defenseless women and children seem very nervous. Perhaps the pilots who [words indistinct] helicopters have already died. Perhaps mercenary gringos are now flying their aircraft.

Eight aircraft have been shot down in the eastern zone so far this year. We recall the helicopters shot down in Agua Zarca, San Gerardo, Torola, and on 16 August in Arambala, and the three which were destroyed during the takeover of the 3d Infantry Brigade's installations.

To top General [Juan Rafael] Bustillo's woes, another of their helicopters fell this Friday in Morazan. This is the eigth helicopter to be rendered useless so far this year. Poor Col [Miguel Antonio] Mendez! His airborne operation is turning upside down in Morazan! Two helicopters hitting the ground within 4 weeks is simply too much! We advise the puppet Armed Forces' pilots to carry a lemon in their mouths and two small cotton plugs for their noses [Central American peasant method of preserving corpses in summer] and, of course, to choose the type of coffin they would like to be buried in before they depart on another flight.

JUDGE UPHOLDS ARREST OF MILITARY OFFICERS

PA230005 San Salvador Radio Cadena YSKL in Spanish 1700 GMT 22 Aug 86

[Excerpt] Dr Jorge Alberto Serrano, First Military Court Judge, found today that the abductions of (Carlos Alfredo Benutolo Oviedo), (Victor Rene Cordon Paul), (Jose Luis Zablah Hasbun), Elias Jorge Vajalla, and Dr Alfredo Ortiz Mancilla, as well as the theft of 26 private vehicles and metal structures on the Northern Trunk Highway committed by the bank of kidnappers led by Orlando Llovera Valet and Lieutenant Isidro Lopez Cibrian, retired, as well as other senior military officers justify their arrest and trial by civilian and military courts.

We are now contacting Judge Serrano to learn about his decision in this case. Judge Serrano, the people will now listen to you through our station.

[Begin relay] [Serrano] You have asked me for a report on this case, which has become so well-known locally and internationally, involving the kidnappings by Llovera and others. I must inform you that the arrest warrant issued by the military arraigning judge has been upheld today on the basis of the evidence and date obtained during these proceedings.

[Words indistinct] what this court is deciding is to uphold, I repeat, the arrest warrants and scheduling further proceedings for later dates to learn the truth in this case.

[Reporter] Your Honor, to whom does the arrest warrant apply?

[Serrano] Several people are implicated, but only three of them are present. They are Major Jose Alfredo Jiminez Moreno, Lieutenant Rodolfo Isidro Lopez Cibrian, and Luis Orlando Liovera Valet. As you know, the other persons implicated are outside the country. [sentence indistinct]

[Reporter] Your Honor, may we surmise then that the arrest warrant applies to all members of the band?

[Serrano] Yes, it applies to all.

[Reporter] Does that include Lieutenant Colonel Joaquin Eduardo Zacapa, Lieutenant Carlos Zacapa, and agronomist Antonio Cornejo Arango?

[Serrano] Yes, it is against all of them. As I said a while ago, the provisional arrest warrant ordered by the military arraigning judge was against all implicated persons. However, during the proceedings we have realized that some of the defendants are here and some are absent. Therefore, new arrest warrants will be issued against those who are absent for subsequent legal action.

[Reporter] What about the speculation during the past few days that Maj Jiminez is under house arrest and not being held by a security group.

[Serrano] No, it is not house arrest. He is under provisional detention, now confirmed by the court I head. What happens is that apparently other proceedings are being carried out to clarify what he said during his out-of-court deposition. [end relay] [passage omitted]

GUATEMALA

CEREZO REFUSES TO RECEIVE GAM DEMONSTRATORS

PA231357 Panama City ACAN in Spanish 0258 GMT 23 Aug 86

[Text] Guatemala, 22 Aug (ACAN-EFE) -- Today the Mutual Support Group [GAM], which groups relatives of missing political prisoners, requested that President Vinicio Cerezo establish an investigative commission. Some 2,000 people, most of them peasants, held a peaceful demonstration this afternoon in front of the Government Palace with the GAM members. The demonstrators, carrying posters, demanded that the government establish a commission to investigate the fate of people kidnapped and missing in the past 2 decades of military regimes.

The GAM members said that the main purpose of the demonstration was to deliver a document to the Guatemalan president signed by some 15,000, who gave the people's support to "the just demands of the group." However, President Cerezo did not receive the GAM members and told them that he would not receive them until 17 September.

Nineth de Garcia, GAM's highest leader, said that Cerezo's attitude "is because he does not want to face the Guatemalan people and the reality in which we are living." She added: "Our group is the only defender of human rights in Guatemala, and thus we demand that the government appoint an investigative commission to explain the whereabouts of our relatives."

During the march, which began at 2130 GMT and ended at 2330 GMT, the demonstrators, who had the support of the Democratic Socialist Party (PSD) and the United Revolutionary Front (FUR), shouted: "They were kidnapped alive; we want them back alive."

The highest PSD leader, Mario Solorzano Martinez, said that his participation in the demonstration "was an act of solidarity and support to the GAM members and their efforts to locate their missing relatives." Solorzano noted that there is lack of seriousness on the part of President Cerezo, because at the beginning he agreed to set up a commission to investigate the whereabouts of the missing people, which he refused to do later, and now he has refused to meet with the GAM members.

The GAM has demanded that the Christian Democratic government explain the whereabouts of 40,000 people who were kidnapped or disappeared during the last 2 decades of military regimes. GAM President Nineth de Garcia has repeatedly said: "The Guatemalan Government security forces are responsible for the kidnapping and disappearance of the people whose reappearance we are demanding."

Members of the Central American Glass Factory (Cavisa) union, where Edgar Fernando Garcia, husband of the GAM president, was a leader, also participated in the demonstration. He was kidnapped on 18 February 1984. During the peaceful march GAM members stopped in front of the National Police General Directorate and requested the "immediate appearance of our relatives."

Since its creation on 4 June 1984, the GAM has held four public demonstrations with the participation of political, union, social and peasants sectors. Nineth de Garcia explained that so far in 1986 they have held more than 40 demonstrations in front of the Government Palace to request of the regime the appearance of their missing relatives. However, the results "have been negative." The GAM president said: "Ours is a distressing situation. Nevertheless, we are willing to continue the struggle until we receive specific answers to our requests."

HONDURAS

AZCONA: CONTRAS NOT TO TRAIN IN COUNTRY

PY230213 Paris AFP in Spanish 2201 GMT 22 Aug 86

[Text] Tegucigalpa, 22 Aug (AFP) -- President Jose Azcona has stressed that his government will not allow the training of Nicaraguan contras by U.S. troops in Honduras, thus denying reports from the Reagan administration and the U.S. Congress in this respect.

According to a report released in Washington, Green Berets (U.S. experts in guerrilla warfare) will arrive in Honduras in October 1986 to train the contras as part of the $100-million aid package that has been approved by the U.S. Congress.

But President Azcona told the local station Radio America that his government will maintain the principle of neutrality in the Nicaraguan conflict. Foreign Minister Carlos Lopez has also stated that contras will not be trained in Honduras, and when he was asked why the Reagan administration was reporting the contrary, he said: You will have to ask them.

The foreign minister this week also stressed that the aid for the contras will not pass through Honduras and that this is the official position that the Honduran Government gave to the United States. Nevertheless, the contras have already received important supplies from Honduran businessmen in Tegucigalpa and in the eastern town of Danli. This fact has been admitted by the businessmen themselves.

According to reliable sources, a contra Military-Training Center (CIM) exists in Honduras near Yamales, in the eastern Department of Paraiso. This center was attacked five times by the Sandinist Army in March 1986, but it is still functioning.

Members of the Christian Democratic Party (DC) and of Innovation and Unity (PINU) today expressed opposition to the use of Honduran territory for training contras, who could also be trained in El Salvador or Panama, according to information received from Washington. Carlos Sosa, a PINU leader, today stated in a press conference: There must be patriots in El Salvador, as there are here, and I do not believe that President Jose Napoleon Duarte would approve of such procedures.

Regarding comments by Foreign Minister Lopez, who cynically affirms that there are no contras here, Sosa said: I believe he is expressing a wish, a good intention, a nice thought that there are no contras in Honduras. Finally, he stated that President Ronald Reagan has an excellent place near the Panama Canal to train his contras, because it is the only place in Central America where the United States exercises full sovereignty, at least until 1999.

Regalado Concurs

PA240315 Panama City ACAN in Spanish 2038 GMT 23 Aug 86

[Text] Tegucigalpa, 23 Aug (ACAN-EFE) -- General Humberto Regalado Hernandez, commander of the Honduran Armed Forces, has ratified here that the $100-million U.S. aid for the Nicaraguan "counterrevolution will not pass through Honduran territory. That is an affair between the United States and the Nicaraguan Sandinists; Hondurans have nothing to do with it and have no reason to get involved in it."

Regalado made short statements to the media during the ceremony celebrating the creation of the 2d Airborne Infantry Battalion, held in the Tamara Valley, 15 km north of Tegecigalpa. Regalado added: "Nor will the Green Berets or any other U.S. soldier come to Honduras to train Nicaraguan counterrevolutionaries."

Regalado confirmed that "both the $100-million aid and the possibility of training contras in Honduras are issues used by international and local communists to try to discredit the Honduran Government and Armed Forces."

NICARAGUA

PRESIDENT SPEAKS AT MILITARY AWARDS CEREMONY

PA230251 Managua Domestic Service in Spanish 0110 GMT 23 Aug 86

[Speech by President Daniel Ortega Saavedra at the Palace of the Revolution in Managua -- live]

[Text] Some 8 years ago the Rigoberto Lopez Perez Command of the FSLN entered this room. Seven years after the revolutionary triumph, which became a process to institutionalize our revolution and state, in this same place, which reminds us of that heroic deed, we are conferring the rank of Army general on Commander of the Revolution Humberto Ortega Saavedra, a member of the FSLN National Directorate. In so doing we are beginning a new phase which had already been called for by the development of our Army and also by the development of the Interior Ministry.

Our people have two formidable fists with which to face, fight, and defeat our enemies: the EPS and the Interior Ministry. Because of their specific characteristics, it was logical and natural that this process of changing the ranks or establishing a hierarchy [jerarquizacion] would begin with the EPS; it will be continued with the Interior Ministry in October.

We are making, building Nicaragua's history based on efforts and sacrifices, and it is the combatants of the EPS and the Interior Ministry who are tasked with one of the hardest jobs, one which requires the most sacrifice.

The 7 years spent in the organization of our Army amid the uproar of the fighting against the aggressive power, the United States of America, make this an Army that represents and gives prestige to the history of the Nicaraguan people, that represents and give prestige to the history of the Central American people, that represents and gives prestige to the history of the Latin American and Caribbean peoples, and that represents and gives prestige to the history of the peoples of the Third World.

These have been 7 years of building our Army amid fighting, great difficulties, and actions of heroism and sacrifice. We were saying that our Army's development and our country's process of institutionalization already demand that we implement this change in ranks and that we make these changes and establish a hierarchy for EPS and Interior Ministry combatants.

We have and will have generals in Nicaragua. We have and will have colonels in Nicaragua. We have and will have lieutenant colonels, majors, officers, and soldiers of our Army and the Interior Ministry who have devoted and will continue to devote their efforts, not to becoming rich, repressing the people, or defending the exploiters, but to defending the poor, the workers, and the peasants.

We will have and now have generals, colonels, officers, noncommissioned officers, and privates in our Army to defend the achievements of our revolution, to defend our people's right to work, to defend the peasants' right to own land, to defend the rights of teachers, doctors, technicians, and professionals, to defend the Nicaraguan society's rights, to defend the rights of all political, ideological, economic, and social sectors that accept the revolutionary power's framework of institutionalization and that are willing to carry forward their political action in this institutional context within the laws of the Republic.

In their own history of heroism and combat, the Nicaraguan people have been building and continue to build, consolidate, and develop our Army. The fighters of the national war, Andres Castro and Jose Dolores Estrada, are the founders of our Army. Resisting the Yankee invader, Benjamin Zeledon maintained our Army. Sandino's generals and peasant colonels and workers are the builders of our Army. Carlos Fonseca, Rigoberto Lopez Perez, and German Pomares Ordonez are the builders of our Army. They continue to be the builders of our Army, as do the thousands of heros and martyrs who fell after the triumph of the revolution, defending the homeland, defending the revolution against the foreign aggressor.

Now we have a more organized people. Therefore, we have a more developed Army. Our Army's military doctrine, based on the people's organization around the Army, is more necessary today than ever. The process of improving the institutionalization of our Army coincides with the escalation of aggression by the U.S. leaders. This also coincides with the approval, not of the $100 million, but of the sending of military advisers and the authorization to allow the CIA to execute terrorist and criminal activities against our people on behalf of the U.S. Congress.

This marks a new stage in the confrontation against those who make war -- namely the U.S. Government -- those who sponsor and continue to foster an interventionist policy. The military doctrine that incorporates the people en masse into the military defense of the revolution, and which includes a more developed and more technical Army, becomes increasingly relevant, because now more than ever an eventual intervention by U.S. troops in our country is likely.

Over the past 5 years there have been difficult moments of military aggression by the U.S. Government. A military intervention by U.S. troops has seemed imminent. In the U.S. Congress, however, resistance to this policy existed. Now the U.S. President has been able to break that resistance in the U.S. Congress, and a bigger danger exists. Therefore, we must improve our military doctrine, which has been designed with the goal of resisting an eventual U.S. military intervention against the people. We must strengthen this doctrine in practice, we must strengthen it by means of better organization, we must strengthen it by means of a better integration of workers, peasants, technicians, and professionals in various military structures being developed in this city.

This military act carries the people's signature and is intended to help us resist the U.S. military intervention until we have defeated it. This doctrine has been strengthened today. It has not been strengthened with the formal conferring of ranks. It has been strengthened because these new ranks are a result of the application and implementation of this military doctrine, which has developed our Army even more.

When conferring this rank of Army general on our comrade, Commander of the Revolution Humberto Ortega Saavedra, member of the FSLN, we are continuing the hierarchical process of the EPS and the Interior Ministry. We are sure our people are conferring this rank. It is the FSLN, the Nicaraguan people, the FSLN National Directorate respresenting the people, and the Nicaraguan Government who are confident that our weapons will defend the interests of the fatherland and the revolution. We shall follow Sandino's slogan: Free fatherland or death! Thank you.

Decree Promoting H. Ortega

PA230310 Managua Domestic Service in Spanish 0110 GMT 23 Aug 86

[Decree No. 215 issued by President Daniel Ortega Saavedra in Managua, dated 22 August]

[Text] The president of the Republic of Nicaragua, by the power vested in him and based on Article IV of Law No 19 of 17 July 1986, amending the law that creates the honorary ranks and military positions and ranks published in the official newspaper, THE GAZETTE, No 154 of 23 July 1986, decrees:

Article 1: To confer on Commander of the Revolution Humberto Ortega Saavedra, defense minister, EPS commander in chief, and national chief of the Sandinist People's Militias, the rank of Army general, the top rank in the military echelon in line with the process to build and develop the Army, as well as in recognition of the correct way in which he is leading the Army.

Article 2: The insignia will be conferred on the promoted officer during a public ceremony to commemorate the 8th anniversary of the heroic takeover of the National Palace by the Rigoberto Lopez Perez Command on 22 August 1978.

Artilce 3: This decree will go into effect upon being published by any newspaper; this will not affect the publication of it in THE GAZETTE, the official newspaper.

Issued in Managua on 22 August 1986
Twenty-five years later, all weapons against aggression!
[Signed] Daniel Ortega Saavedra, president of the Republic

ORTEGA MAKES STATEMENT BEFORE TRIP ABROAD

PA241733 Managua Radio Sandino in Spanish 1400 GMT 24 Aug 86

[Report by "Companero Zamora" from Augusto Cesar Sandino Airport in Managua -- live]

[Excerpts] [Zamora] At this moment, prior to this departure for the Harare summit, the companero president will make a statement.

[Ortega] We want to say good-bye to the Nicaraguan people now that we are departing for Zimbabwe, where the Nonaligned Movement will hold a summit meeting. With our presence we are going to state our solidarity with the South African people, who are being oppressed and exploited under apartheid. We are going to defend international law and the interests of all the countries that are members of the movement. We are going to defend the importance of the International Court of Justice and to back this important organization that the movement's countries have for resolving problems peacefully.

In Zimbabwe we will also have the opportunity to meet with chiefs of state who will be present. The trip to the eighth summit will take us on a tour that begins today in Yugoslavia. We will make an official visit to Yugoslavia. From there we will be going to [name indistinct] and from there to Ghana. From Ghana we will be going to the Congo, which currently is president of the OAU. From there we will go to Zimbabwe.

[Words indistinct] official visits to India, Tunisia, the DPRK, and the GDR. We have an intense agenda. We have the cooperation of the GDR, of Companero Erich Honecker, who has placed an airplane at our disposal so we will not have to spend much on plane fares. The [words indistinct] plane will take the Nicaraguan delegation to those places, and we will not have to spend a single penny.

This will also be an opportunity for securing the solidarity of the countries to be visited and of the nonaligned countries for the Nicaraguan revolution, which today more than ever is being threatened by the United States, simply because we are defending the principles of nonalignment. We are being attacked for doing that. This is why we must suffer terrorist activities. This is why the U.S. Congress has adopted certain decisions.

We are going there to represent the interests of Latin America, which are being threatened not only by the U.S. actions against Nicaragua but also by the measures that have been adopted against all Latin American countries. Most of those measures are economic, basically. This includes the aggressive measures that have been adopted against Peru, where President Alan Garcia has firmly defended economic measures that are in line with the true situation in this country. Now he is facing the pressure, the reprisals, of the IMF. We are in solidarity with Peru and with President Alan Garcia.

We want to say also that Nicaragua has offered herself as host for the ninth summit meeting of the Nonaligned Movement. The United States is interested in making sure that Nicaragua does not host the ninth summit meeting. For this reason it is going to be exerting pressure and blackmailing governments of Latin America and other parts of the world that belong to the Nonaligned Movement to eliminate Nicaragua's possibility of being elected host of the movement.

The United States does not want Nicaragua to be elected host of the movement because this would represent massive backing by more than 100 countries -- an acknowledgement and an expression of trust -- and also because Nicaragua would defend the interests of Latin America and of the Nonaligned Movement.

We are sure that the most progressive and nationalist countries of Latin America, Africa, and the Third World will back Nicaragua's aspiration to be host of the movement to defend the interests of the movement and of Latin America.

[Zamora] Thank you, Commander. You have heard the president at this brief news conference before he leaves for a visit to several countries and eventually to participate in the eighth Nonaligned summit in Harare, the capital if Zimbabwe. [passage omitted]

Commander of the Revolution Daniel Ortega Saavedra is being accompanied by Major General Joaquin Cuadra Lacaya, deputy minister of defense and chief of staff of the EPS; Deputy Interior Minister Javier Chamorro Mora; Foreign Trade Minister Alejandro Martinez Cuenca; Companero Carolos Fernando Chamorro, chief of the Agitation and Propoganda Department of the FSLN; Companero Julio Lopez, chief of the International Relations Department of the FSLN; and the director general of The Voice of Nicaragua, Companero Carlos Jose Guadamuz.

Manuel Espinoza Henriquez, information and press director of the Presidency is [words indistinct] advance. Foreign Minister Father Miguel D'Escoto Brockman is already in Harare to participate in the experts' meeting that will begin tomorrow.

Yugoslavia Visit

For reportage on the visit to Yugoslavia by President Daniel Ortega, see the Yugoslavia section of the 25 August Eastern Europe DAILY REPORT and subsequent issues.

REGULATIONS IMPOSED ON INTERNATIONAL FLIGHTS

PA221752 Managua EL NUEVO DIARIO in Spanish 21 Aug 86 pp 1, 8

[Text] The Civil Aeronautics Directorate (DAC) is regulating the formerly unrestricted operations of international airlines in Nicaragua, it was reported yesterday.

DAC Director Sergio Buitrago said that "regulatory procedures have begun."

He cited the case of the Salvadoran airline TACA, which has been assigned a maximum of 30 passengers per day on its flights to the United States.

"That means that TACA will be allowed to move approximately 900 people per month," Buitrago explained.

In El Salvador, the Nicaraguan airline Aeronica is allowed to carry no more than 50 passengers per week, while in Nicaragua, TACA can transport 210 passengers in that same time period.

Additionally, TACA receives dollars for its ticket sales in Nicaragua, while in El Salvador, Aeronica receives colones, with which it cannot purchase dollars.

Aeronica Manager Julio Rocha has reportedly been meeting with TACA executives in El Salvador. Several of them have been invited to Nicaragua in an effort to strengthen relations between the two airlines.

DEFENSE MINISTER NOTES EPS BUILDUP TO FACE U.S.

PA232210 Panama City ACAN in Spanish 1942 GMT 23 Aug 86

[By Denis Garcia Salinas -- All quotation marks as recieved]

[Text] Managua, 23 Aug (ACAN-EFE) -- Nicaraguan Defense Minister General Humberto Ortega declared today that the Sandinist Government will continue to build up a modern army to face U.S. intervention.

Regarding the EPS, Gen Ortega said: "We are no longer a handful of men. Today we are a government; a more disciplined army, with organized techniques and strategy." In 7 years "we have progressed" militarily, Ortega said, after adding that "we have the conviction of defeating any foreign invasion, which "will bite the dust of defeat."

Gen Ortega states that the bold "will bite the dust of defeat, and "despite the shameful commercial, political, diplomatic, and military blockade, we are a powerful Army, because we have reason on our side.

Despite the "mercenary war" of the United States, the EPS has "been consolidating itself to confront any possible U.S. invasion."

Defense Minister Humberto Ortega conferred the rank of "major general" this morning on Joaquin Cuadra, and the rank of colonel on Brigade Commanders Julio Ramos, Hugo Torres, and Leopoldo Rivas, at a ceremony held in this capital. Nicaraguan President Daniel Ortega yesterday converted the rank of brigade commander of Joaquin Cuadra to colonel, and he was promoted to Army major general of the EPS today. The ranking military officer stated that "we will continue to strengthen and buildup a modern army and military strategy to face a direct U.S. intervention." We have learned from studying military doctrine, approved in August 1985, the strategy, the concept of the framework of the Army, and its consolidation and military unity," Ortega stated.

The general added that this was to "count on a responsible and monolithic Army that will respond to the need of applying a military art demanded of a modern army." The military leader explained that the government was "concerned with endowing the Army with a military organization to defend the interests of the people and Nicaraguan sovereignty."

Since 1980 the Army has sought the aid of Latin American countries and even that of the Carter administration to build a new Nicaraguan Army," he noted.

Humberto Ortega warned that the Sandinist Army is prepared to struggle in case there is a surprise U.S. invasion of that country. He said that it is not his intention to confront "the U.S. military attache, because "we do not want U.S. youths to come to foreign countries to defend an unjust cause without determination."

Ortega stated that they have no other alternative than to defend the revolution from any hostility of large proportion, concluding that he is convinced of "victory."

U.S. GOVERNMENT TIGHTENS ECONOMIC BOYCOTT

FL230114 Havana Radio Reloj Network in Spanish 0101 GMT 23 Aug 86

[Text] A spokesman for the U.S. State Department announced today that President Reagan had approved a number of measures directed at tightening the economic embargo against Cuba.

According to the spokesman, the measures are aimed at controlling the amount of dollars obtained through diverse trade transactions by the government. Among the measures adopted is one that would strictly supervise private firms which organize or promote trips to Cuba, as well as the forwarding of funds or goods here.

U.S. officials indicated that the decision's objective is to tighten the economic embargo adopted in 1970, whose main purpose is to make it difficult for the government to obtain dollars.

Radio on New Measures

PA230145 Havana International Service in Spanish 2300 GMT 22 Aug 86

[Text] The U.S. Government announced today that it will increase the economic boycott it has maintained against Cuba since 1960. According to the statements by U.S. officials, the measure is aimed at exerting pressure on Cuba to force it to accept the immigration agreements signed with the United States in 1984. The agreements were suspended after Reagan's administration decided to begin, on 20 May 1985, the broadcasts of an anti-Cuban radio station.

In addition to strengthening the economic boycott, President Reagan approved other restrictive measures, including increased control on the organizations that promote and sponsor trips to our country from the United States.

Foreign Ministry Notes 'Pressure'

PA230152 Havana International Service in Spanish 0000 GMT 23 Aug 86

[Text] Foreign Ministry sources have said in Havana that Cuba has proven more than once that no pressure or economic measure adopted by the United States will force our country to negotiate or violate its principles.

The statement was issued shortly after the U.S. Government announced a strengthening of the economic boycott, which has been in force since 1960. The sources added that Cuba does not benefit in the least from the departure of Cuban citizens to the United States; they stated that shady deals have been carried out -- for illegal visas and fake visas -- in Miami and other places. The sources recalled that the immigration problems are mainly the fault of the United States.

SELA DELEGATION HEAD COMMENTS ON CARACAS MEETING

PA221856 Havana International Service in Spanish 0000 GMT 22 Aug 86

[Interview with Pedro Morales, head of the Cuban delegation to the preparatory SELA meeting in Caracas, by Alberto Martinez, no place or date given -- recorded]

[Text] [Martinez] Morales, we would like to know what basic issues will be discussed at this meeting to prepare the 12th SELA council, which will be held in Caracas.

[Morales] This is a very important meeting and it has begun with a great deal of activity. In the first place, I want to point to the speech made by Sebastian Alegrett, the permanent secretary of the SELA, at the inauguration ceremonies. He said -- and I believe that it is important to stress what he said -- that our region is experiencing very complex and difficult times. He added that in addition to the unresolved debt problem, we have the protectionist avalanche that is being generated in the large worldwide economic centers, which is deeply affecting the Latin American countries and the members of SELA.

Alegrett's word established the atmosphere of the meeting to prepare the next SELA ministerial-level council, which is to take place next October in Lima [as heard]. The topic of protectionism is one of the most controversial and important to all of the Latin American region because of the negative effects it has had on our economies, especially the protectionist measures the United States recently adopted. These measures affect our sugar, cereal, and steel exports at one of the most difficult moments for our region. Another issue that has caused displeasure at the meeting is the recent statement by the [words indistinct] that Peru has suffered attacks from the IMF, which has declared that country ineligible to receive new credits. This is an issue I am certain will be discussed at the meeting, and action may be taken in that regard.

[Martinez] Morales, we would like to know if there is a consensus among SELA members regarding confronting the protectionist measures, especially those implemented by the United States.

[Morales] That is an issue still being debated. We believe we will soon be able to analyze the possibility of confronting these measures in a coordinated manner. However, we are still in the process of doing this, and I believe that the Lima meeting will result in the adoption of important decisions in this regard.

[Martinez] Have the GATT multilateral trade negotiations been discussed at this meeting?

[Morales] What we have discussed is the coordination the region should carry out to participate in the GATT negotiations with a united and consolidated position. This will be done within the next few months to unify our region's position.

[Martinez] Can you give a general evaluation of the development and results of this preparatory meeting?

[Morales] It seems to us that the meeting will end on a very positive note, a very encouraging note. Basically, I can say that there has been a spirit of unity, and there is an increasing awareness of the need to achieve the true integration of our region. That is why I said at the beginning that this issue, this concern caused by the protectionist measures basically conducted by the United States against our region, and the reaction to the IMF's actions against Peru have characterized the meeting. All of this may lead to very important decisions at the meeting next October.

GOVERNMENT DONATES $400,000 TO NONALIGNED SUMMIT

FL221656 Havana Radio Periodico del Aire in Spanish 1600 GMT 22 Aug 86

[Excerpts] Harare -- The Government of Zimbabwe has received approximately $10 million in donations for the eighth Nonaligned Countries summit in Harare.

Cuba's donation exceeds $400,000 and includes electronic typewriters and the services of 64 translators and other specialists. [passage omitted]

NETHERLANDS ASKED TO INVESTIGATE ESPIONAGE

FL231149 Bonaire Trans World Radio in English 1130 GMT 23 Aug 86

[Text] The Dutch Government has been asked to make a thorough investigation into possible Libyan espionage activities in the Netherland Antilles. The request by the Liberal Party faction in the lower house of Parliament cites an American Government report which calls an organization in the Antilles, the Islamic Cause Society, a cover for Libyan espionage.

The report from the U.S. also says that Libya is developing other activities in other parts of the Caribbean, including Barbados and Suriname, and that the Islamic Cause Society is meant to be used to support guerrilla movements in the region.

GRENADA

PARLIAMENT MEMBER FEELS 'UNWANTED,' LEAVES NNP

FL231845 Bridgetown CANA in English 1836 GMT 23 Aug 86

[Excerpt] St Georges, Aug 23, CANA -- Member of Parliament Phinsely St Louis said today he quit the ruling New National Party (NNP) because he felt unwanted.

St Louis charged that there was a deliberate attempt by elements within the leadership of the NNP to keep him out of the decision-making process.

For the 20 months since we have won the elections, I have found a complete rejection of opportunities for me to be involved in the decision-making of the party, St Louis told CANA.

His remarks followed Thrusday night's announcement at a public meeting organised by the NNP in his constituency that he had decided to leave the party. The NNP won a landslide victory in the 1984 general elections.

St Louis is the second parliamentarian to quit the party within the last four months. His departure now leaves the NNP with a 13-3 majority in the lower house. [passage omitted]

NETHERLANDS ANTILLES

CRACKDOWN ON CUSTOMS FRAUD; OFFICIAL ARRESTED

FL221245 Bonaire Trans World Radio in English 1130 GMT 22 Aug 86

[Text] On Curacao, a large-scale investigation into fraud and smuggling among customs officials has led to the arrest of the director of taxation for the island. The official, who is the highest-ranking civil servant to be arrested so far, had already been under police scrutiny in connection with an illegal import of dish antennas. It is considered likely that more arrests will follow on that island.

FBIS DAILY REPORT

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ALFONSIN ANSWERS TASS ON NUCLEAR ARMS RACE

PY252137 Buenos Aires TELAM in Spanish 1201 GMT 25 Aug 86

[Text] Buenos Aires, 25 Aug (TELAM) -- Argentine President Raul Alfonsin has stated that the most imperative task of all states is to prevent the outbreak of a nuclear war and the only way to save the world from this threat is to eliminate nuclear weapons.

This was Alfonsin's answer to Yuriy Rublevskiy and Isidoro Gilbert, correspondents of the Soviet news agency TASS, who interviewed Alfonsin at the request of the Moscow daily PRAVDA to discern his opinion concerning the eradication of atomic arsenals in general and the 18 August decision by the Soviet Government to extend the moratorium on all nuclear tests until the end of the year in particular.

Alfonsin said: In our joint declaration of 22 May 1984 and in the New Delhi Declaration of 28 January 1985, we (the heads of government of the "Group of Six") stated that the tests, production, and deployment of nuclear weapons and their carriers must cease and a substantial reduction of nuclear forces must follow immediately.

This is the course of action that we propose to use to put an end to the nuclear arms race and to achieve nuclear disarmament, he added.

He continued: In this regard we have been notified of the Soviet Government's decision to extend the moratorium on nuclear tests, and we must express our satisfaction over this measure.

Alfonsin concluded by saying that to take this measure a step further we recently proposed in Mexico the establishment of a suitable verification mechanism, and offered to General Secretary Gorbachev and President Reagan to arrange a meeting of experts from our countries (of the Group of Six) with Soviet and U.S. experts.

DEPUTY FOREIGN MINISTER ON TRADE WITH USSR

PY222334 Buenos Aires Domestic Service in Spanish 1600 GMT 22 Aug 86

[Text] Deputy Foreign Minister Jorge Sabato has stated that the Soviet Union will continue to purchase Argentine grain.

Sabato made this comment shortly after he arrived in Argentina from Moscow, where he went to make preparations for the visit President Alfonsin will make to the Soviet Union in October 1986.

Sabato emphasized the importance of Alfonsin's trip, adding that the agricultural crisis and the drop in petroleum and gas prices have forced the Soviet Union to adopt emergency measures.

Nevertheless, Sabato felt that these measures do not affect medium-term trade with Argentina.

Sabato felt that the Soviet purchase of grain subsidized by the U.S. Government will not harm Soviet-Argentine trade, adding that Argentina might receive some compensation.

Meanwhile, (Badi Orlov), who runs the Soviet trade office in Buenos Aires, has stated that in 1986 sales to the Soviet Union totaled less than $200 million. Deals have been closed for $180 million, and I do not believe that his figure will be significantly increased, (Orlov) said.

UNDER SECRETARY DISCUSSES U.S. RELATIONS

PY252126 Buenos Aires TELAM in Spanish 1415 GMT 24 Aug 86

[Text] Cordoba, 24 Aug (TELAM) -- Raul Alconada Sempe, under secretary for Latin American affairs, has stated that the international policy of the government is not guided by biased ideas or dogmas. He added: Within this framework we have many points in common with the United States.

Speaking to the local daily LA VOZ DEL INTERIOR, Alconada Sempe recalled that President Alfonsin has said in Washington and recently at a meeting of political parties that Argentina is a Western country. This means that its philosophical and political values are Western. These include respect for the individual, freedom, human rights, ideological pluralism, and universal suffrage.

The government official continued that this does not imply, however, that Argentina accepts the policy of military alignment with either the Eastern or the Western blocs. He added that the current Argentine government, unlike past governments which sought supremacy in Latin America, seeks only to use its political, physical, and economic capabilities to further Latin American integration. Alconada Sempe indicated that a policy based on autonomous social and economic development and on sovereign international action is compatible with dialogue with the United States. He stressed that the current Argentine Government is the first in many years to maintain an excellent relationship with the United States, while preserving an independent foreign policy and remaining nonaligned.

He stated that there are differences of opinion on many issues with the United States. Basically these focus on the situation in Central America and the payment of the foreign debt. He said that in this regard Argentina actively defends its positions through the Cartagena Consensus and added: I do not believe that this is the kind of attitude that Washington prefers.

Alconada Sempe concluded by saying that this is the best kind of relationship because it means we are equals and that there is mutual respect. He added that this attitude has achieved something that had been lost for many years: a frank relationship and dialogue between the Argentine and the U.S. Governments.

BRIEFS

DRUG TRAFFICKERS ARRESTED -- San Salvador de Jujuy, 2 Aug (TELAM) -- The Federal Police have arrested two drug traffickers who were on board the train from Pocitos at the Bolivian border and seized 2 kg of cocaine. Those arrested are: Felix Pastor Vega and Edgard Ordonez Valencia, both Bolivians. [Summary] [Buenos Aires TELAM in Spanish 0648 GMT 2 Aug 86 PY]

MADRID DAILY INTERVIEWS PAZ ESTENSSORO

PM221230 Madrid ABC in Spanish 21 Aug 86 p 36-37

[Interview with Bolivian President Victor Paz Estenssoro by Alvaro Vargas Llosa in La Paz; date not given]

[Excerpts] [introductory passage omitted] [Vargas Llosa] What is the status of relations between your government and the Peruvian Government?

[Paz Estenssoro] Our relations are cordial. Our governments have democratic roots; we of the National Revolutionary Movement [MNR] are a party whose ideological roots owe much to the ideology of the American Revolutionary Popular Alliance [APRA]. Now of course we have an economic policy different from that implemented by the Peruvian Government, but this does not prevent our maintaining cordial relations.

[Vargas Llosa] Your dealings with the IMF are very different, and so are the ways in which you handle your debts. Bolivia has an understanding with the Club of Paris and is renegotiating its debts -- totaling some 1.4 billion dollars -- with private banks. It has also reached an agreement with the IMF. Let us talk first about the Club of Paris.

[Paz Estenssoro] We are going to seek favorable conditions. Our position is not to disown the debt; we acknowledge the debt, but we can in no way repay it on the original terms because they relate to a value of our export products on the international market that is no longer current. Bolivia's borrowing capacity when it contracted the debt was not the same as it is now. We are going to modify the repayment terms both of the principal and of the interest in accordance with the present situation.

[Vargas Llosa] You have recently been negotiating with the IMF and unofficially it seems that the IMF insisted on going beyond that: It wanted a sharp devaluation, a pay freeze -- contrary to the Bolivian Government's proposal to introduce a rise in June -- and a gas price hike. Did you accept or reject those conditions?

[Paz Estenssoro] The negotiations with the IMF were not very problematic because we have introduced a monetary and financial policy of reducing public spending and other measures imposed by Bolivia's economic situation. So, anticipating the IMF's conditions, we have set the management of our economy in order. Now the IMF has made further demands, but during the latest negotiations between the IMF and Bolivian delegates who traveled to Washington we succeeded in avoiding these demands.

[Vargas Llosa] What are the tradeoffs? What is the IMF giving Bolivia in return?

[Paz Estenssoro] The tradeoff is that it is providing us with an immediate 50 million dollar loan, for which a contract has been signed with the IMF. All it needs now is the approval of the governing body.

[Vargas Llosa] What are the aims of your economic policy?

[Paz Estenssoro] To halt the process of hyperinflation that the country was suffering. We have checked this inflationary trend. So we have now achieved this: For the past 19 weeks the inflation rate has been virtually zero. The objective has been achieved. Now we must consolidate our monetary stability.

[Vargas Llosa] Are you going to introduce price control?

[Paz Estenssoro] Absolutely not.

[Vargas Llosa] Do you believe that market prices can remain fixed under present circumstances? Can a stable exchange rate be maintained?

[Paz Estennssoro] Yes, precisely because we will now enjoy a better supply of foreign currency, better reserves, as a result of our agreement with the IMF, together with a range of foreign resources possible thanks to the accord with the IMF. Our monetary stability will be consolidated by these foreign currency resources. This signifies the complete attainment of an objective. However, at the same time we must reactivate the production apparatus.

[Vargas Llosa] Where will this foreign capital come from, apart from the 50 million dollar IMF loan and other further credits from the same body? Where will the investments come from?

[Paz Estenssoro] In the immediate terms we have credits primarily from multinational bodies. Also bilateral credits, and a number of investments in the hydrocarbons field are being negotiated.

[Vargas Llosa] But you have another very serious problem: the sharp reduction in prices of tin and oil -- two of the country's major sources of income.

[Paz Estenssoro] We are formulating our economic policy on the basis of satisfactory parameters as far as tin and oil prices are concerned. The reduction in prices disrupted our timetable but we have taken appropriate measures. As for mining, we believe that Bolivia will continue to be a mining country but we are diverting our activities from tin mining to other minerals -- platinum, lead, and gold, for instance. [passage omitted on general impact of agrarian reform]

[Vargas Llosa] One of the major obstacles to your policy has been -- and will remain -- the trade union movement. How do you intend to confront the unions, who in recent years have attained almost as much power as the government in Bolivia, and sometimes more?

[Pas Estenssoro] Yes, we have had, and still have, a problem with the trade unions -- sometimes because of violent demonstrations, sometimes because of the use of the right to strike. But in Bolivia it is not simply a matter of a trade union movement making demands that are excessive in relations to our economic capacity: Under the previous government the state's real power was diminished and dual powers were formed in the country, the trade union movement being one of these powers. So our confrontation with trade union power is not just a social and economic confrontation but a sharply political confrontation. Trade union leaders do not want to lose the influence they had in the management of the state, whereas we want to restore the power to the state.

[Vargas Llosa] Will there be a decentralization?

[Paz Estenssoro] Decentralization.... For instance, we are transferring a number of firms having to do with neither oil nor mining that the state owned within the Bolivian Development Corporation to individual development corporations -- glass manufacturing, sugar refineries, edible oils, and so forth.

[Vargas Llosa] There has recently been a lively political debate on your proposed tax reform. What does it entail?

[Paz Estenssoro] The situation in Bolivia was that a number of taxes were introduced without reference to real conditions, together with a number of taxes on specific items. The fact is that despite the extensiveness of fiscal legislation very little was collected. Now we have reduced everything to one general tax and six specific taxes. The former is a once-only measure to tax fixed assets. This will be settled once and for all. There may be prior debts but we are giving an opportunity through this single tax for pending contributory obligations to be settled. The remaining six taxes are on capital transfers.

[Vargas Llosa] How do you view the political outlook?

[Paz Estenssoro] Well, it is very difficult to make political forecasts in Bolivia because the national situation influences political developments. If there is an economic success there will be a particular option; if not, there will be another. But there is one factor that could have a major influence on the future political situation, and that is whether or not there is a candidate who can unite the MNR. It is rather similar to APRA: Haya was the unifying figure and after Haya it seemed as though they would split. But a new candidate emerged and won the elections, uniting the party.

[Vargas Llosa] Would you support...?

[Paz Estenssoro] I would not support anyone. I would preside over faultless elections. That is another of my aims -- to institutionalize elections, electoral power. Starting now we are going to prepare for an honest election, using electoral rolls and computers.

[Vargas Llosa] What about the armed forces? To what extent do they share your aim? Are they aware of the need to institutionalize democracy?

[Paz Estenssoro] Not at the moment. I do not know whether they will....

[Vargas Llosa] Do they now support you resolutely?

[Paz Estenssoro] The Armed Forces are now inseparable from the practice of democracy. But this is why I said that you cannot make political forecasts in Bolivia: You do not know what the state of mind of certain institutions will be in the future.

[Vargas Llosa] Let us talk about foreign policy. How do you view Central America? Do you regard Contadora as a solution?

[Paz Estenssoro] It is a difficult problem to resolve because it is a very sensitive area for the United States. They will view it on the basis of national interests. We believe that Contadora could be the road to a solution. We are opposed to any intervention.

[Vargas Llosa] What about Sandinism's domestic policy?

[Paz Estenssoro] I will not express an opinion on that because it is another nation. We ask them not to express opinions about Bolivia's internal situation. We had a very bad experience with the Villaroel government in 1946: It was not recognized for 6 months.

[Vargas Llosa] What about relations with Chile?

[Paz Estenssoro] They still exist. We have made a political overture to Chile in the belief that we must find -- no matter how -- a solution to the problem of Bolivia's access to the sea that will, of course, not harm Bolivia's interests.

[Vargas Llosa] Mr President, let us talk about drug trafficking. It is not only an internal but also an external problem. What kind of solution do you envisage?

[Paz Estenssoro] It is one of the most serious problems now facing us, not only because it affects our international relations but also because it is affecting our population through their consumption. The trouble is that it is a problem that entails vast sums of money and it will take large resources to tackle it. Until consumer countries realize that coordinated action and large resources are needed I doubt whether any lasting success can be achieved. We must also coordinate our efforts with the countries where coca leaves are cultivated. We are also going to eradicate excess areas of cultivation -- that is, areas not required for traditional consumption. We have already identified these areas. It is an action that we are coordinating with the peasants themselves. We are also going to attack drug trafficking, though we lack sufficient resources to act decisively. Third, we are going to mount anticonsumption campaigns.

LIMA LA REPUBLICA INTERVIEWS FOREIGN MINISTER

PY260234 Lima LA REPUBLICA in Spanish 10 Aug 86 pp 42, 43, 44

[Interview granted by Bolivian Foreign Minister Guillermo Bedregal to reporter Alberto Brun during a stopover by Bedregal en route to Bogota -- Lima, date not given]

[Excerpt] Brun: All the media are asking about the antidrug operation in which U.S. troops are participating, contrary -- I believe -- to what is established in the Constitution and to the wishes of the Congress. Is President Paz's administration so servile as to accept that much military, financial, and political "understanding" from Washington, even though it knows the operation was a disguised exercise for the invasion of Nicaragua?

Bedregal: Do you think the Bolivian Government and the Bolivian president are fools?

Brun: (I remain silent without malice. The minister expects and seems to be thinking an answer). I realize that you want me to explain myself by saying: "basically no." There are even great minds...

Bedregal: Therefore, if we are not fools -- and I thank you for agreeing that we are not -- the answer is very clear: The police operation was agreed to by Siles Zuazo in 1982. It was a negotiation in which the United States made no specific commitment. Last year, after the anti-inflationary shock, we proposed that the United States help fight drug trafficking. We demanded serious action, but not the destruction of the agricultural regions. The peasants are not criminals.

The criminal group is in the "industries." If the peasant finds a market, he sells to the highest-paying purchaser. This is the law of the capitalist market. Adam Smith taught us this.

In 1984 we signed agreements to fight drug trafficking through a police operation for which the executive branch did not need to ask permission. Why did you and the others not show your disapproval when we started the joint operation with the U.S. Army in Bolivian territory in March? Why did we ask permission from the Congress? We have an overwhelming majority there.

What happens is that people want to confuse the issue of our struggle. It is an operation against the force of $2 billion, of which $600 million apparently stays in Bolivia.

You are going to laugh. I am laughing, too. The U.S. budget to fight drug trafficking in Bolivia is great -- $3 million -- and the U.S. Government has spent $1.5 million. How about that.

Brun: I am aware of your great imagination. Have you -- the members of the executive branch -- planned a good antidrug trafficking political maneuver to: 1. Soften the hard U.S. position regarding the debt and... 2. Obtain $100 million to sustain Bolivia's financial bankruptcy?

Bedregal: No. $100, 200, 300 million. You reporters are in some ways historians and sometimes not very good ones. You are doomsdayers. You prejudge a policy with bad intentions and in my case you even make satanic predictions. You even see the evil painted on the wall.

Drug trafficking is now even hurting our own population; I am going to give a deeper meaning to your question, you mean that we are blackmailing the gringos to get more money from them.

No sir. The most important aspect of the government of President Paz is its great seriousness. Paz is not a scarecrow or an irresponsible person.

He is living in current times. As Martin Heidegger said: "In Der Welt Sein" (to be with the times in the world).

[Brun] (Bedregal does not engage in the snobbism of English phraseology because he has cultural and linguistic knowledge).

Brun: But you are in the center of drug trafficking.

Bedregal: That is not true. The traffickers are in the United States. That is where the center of drug traffickers are in the United States. That is where the center of drug trafficking is. Drug trafficking and terrorism have world connections and are the worst ills.

Brun: But I would like to reiterate: 6 helicopters, 1 Hercules, another aircraft -- I do not remember its name -- 170 soldiers. This is more than a police force, it is an expeditionary force.

Bedregal: (laughing) You are again being prophetic! Just wait until the antidrug operation is over, then I can comment on your suspicion. [passage omitted]

COB'S LECHIN EVALUATES COMIBOL, FSTMB PLANS

PY251641 La Paz La Red Panamericana in Spanish 1130 GMT 25 Aug 86

[Text] The Bolivian Labor Confederation [COB] views with sympathy and hope the mediation role being followed by the Catholic Church in the effort to solve the mining problem. COB Executive Secretary Juan Lechin Oquendo had this to say:

[Begin Lechin recording] We view the intervention of the church not only with much sympathy but with hope. Thus far, however, no results have been achieved. This, is just a hope we -- all the workers -- are harboring, taking into account the weight of the church, especially in Bolivia, where the people have always expressed their Catholic faith. [end recording]

Radio Panamericana asked Lechin: What is the Trade Union Federation of Bolivian Mineworkers [FSTMB] proposing to the government to overcome this problem?

[Begin Lechin recording] The FSTMB has proposed its emergency program because the rehabilitation program proposed by Comibol [Mining Corporation of Bolivia] is very poor. In the first place, the Comibol talks about the implementation of a program at a time when there are no comprehensive plans in Comibol, only outlines. Outlines are not plans. (Of course, after the government has forced to conduct studies through non-governmental experts, it realized that the so-called program for rehabilitating the corporation was unfeasible.)

Nevertheless, the government does not want to accept the FSTMB plan, which has been discussed with the president of the republic. He suspended the meeting and called a recess because he could not properly grasp all the goals raised in the COB emergency program in just one meeting.

Unfortunately, the president has forgotten he was the one who suspended the meeting with the idea of continuing the discussions tentatively in late August. [end recording]

In Lechins opinion, to transfer the Comibol enterprises to cooperatives means to denationalize the mining sector.

FPMR RELEASES DOCUMENT ON SECRET GALVIN MEETING

PY251930 Madrid EFE in Spanish 0750 GMT 25 Aug 86

[By Fernando Rueda]

[Text] Santiago, 25 Aug (EFE) -- According to a document the Manuel Rodriguez Patriotic Front (FPMR) claims was found on Colonel Mario Haeberle -- whom it kidnapped and released last week -- General Augusto Pinochet might end his career with an "honorable departure" by choosing asylum in a safe and quiet place somewhere in the United States.

This possibility, which at first glance is completely at odds with the conviction of the entire Chilean opposition that the Chilean president wants to perpetuate himself in power, apparently is one of the hypotheses currently being considered by the Reagan administration. Pinochet's "honorable departure" reportedly was even proposed to senior Chilean Armed Forces officers during a secret meeting held recently in Santiago by General John Galvin, the head of the U.S. Armed Forces Southern Command.

This statement is contained in a document that the militant FPMR has delivered to several foreign press agencies in Santiago. The PFMR claims Chilean Army Col Mario Haeberle had this document.

This information has been completely ignored by the Chilean Government which has not even felt it advisable to deny the allegation. However, the U.S. Embassy in Santiago immediately released a statement describing the report as "completely untrue."

According to the FPMR -- which the government considers the armed branch of the Communist Party -- the document is a transcription of a "secret" meeting held at the U.S. Embassy in Santiago. During the meeting -- which was not attended by U.S. Ambassador Harry Barnes -- Gen Galvin made a clear and straightforward report on what Washington believes is the true Chilean situation and its short-term future. According to the report released to the foreign press agencies, those who heard Galvin's report were Army Generals Santiago Sinclair and Alejandro Medina, Vice Admiral German Guesalaga, and Brigadier General Carolos Desgroux, the top leaders of the Chilean Armed Forces after the Army, Navy, and Air Force commanders.

Gen Galvin reportedly stated that the U.S. Government noticed a gradual decline in the efficiency and a loss of command authority among Chilean officiers. In addition, Washington has noticed that during his 13 years in power, Pinochet has been unable to achieve his goal of ending communism. In Gen Galvin's opinion, the strong growth of the oppposition and the lack of appropriate correction by the government are favorable to communism and pose a clear threat both for Chile and for the United States.

Thus, according to the report supplied by the FPMR, the Southern Command reportedly is reviewing two possible hypotheses: first the honorable departure of Gen Pinochet, who would be received as a guest by the U.S. Government; or second, an escalation of the current situation into a civil war in which communism would take advantage of the break in discipline and fighting spirit among the Chilean troops.

According to Gen Galvin, President Reagan reportedly favors the first alternative -- but one must be prepared for all situations that may arise -- for which reason the U.S. Government has Rapid Deployment Force combat units in Central America, Paraguay, and Bolivia to support loyal forces and strengthen friendly governments.

In addition to a formal denial by the U.S. Embassy in Chile on the alleged secret meeting between Gen Galvin and the senior Chilean officers, other diplomatic circles have regarded the information with much [words indistinct].

ARMED FORCES REASSERT SUPPORT FOR PINOCHET

PY222022 Santiago Domestic Service in Spanish 1700 GMT 22 Aug 86

[Relay from Government House by Rosa Sanchez on 22 August]

[Excerpts] The full government, members of the Government Junta, Cabinet members, advisers and Chilean authorities today extended their cordial greetings and loyal support for President Augusto Pinochet on the occasion of his 13th anniversary as Chilean Army commander. Separate ceremonies for each group were held in different rooms of La Moneda Government House. [passage omitted]

At Government House, Pinochet went to a room where he was being awaited by Armed Forces officers, generals, admirals, and the general director of investigations. During the ceremony, Carabineros Deputy Director General Oscar Torres delivered a speech in which he extended the appropriate congratulations and noted the importance of the anniversary being commemorated. He said the task that has been carried out in the past few years will be remembered throughout history despite the fact some would like to vainly overlook it. [passage omitted] Gen Torres concluded his speech by reasserting to the chief of state that all future actions carried out by his government will have their whole-hearted support.

General Pinochet answered them in a very cordial manner saying the Armed Forces have already made the firm decision to be successful in the historic task with which the fatherland has entrusted them. He also noted that we are facing a difficult period in which we are fighting an enemy that uses all types of tricks.

[Begin Pinochet recording] We must understand that we are confronting a conflict in which we are not only combating against ideas but also against an enemy that resorts to all types of tricks, including biased information, lies, and treacherous attitudes, all of which are complemented by the most sophisticated terrorist techniques.

Only by acting vigorously and decisively, and by dedicating ourselves to our cause shall we be able to eradicate the communist threat looming over our fatherland. I am certain that each one of you will fulfill your commitment to Chile by using all your abilities to achieve a definitive victory over the enemies of this noble nation. [end recording]

After these greetings, Pinochet met at the Carrera Room with members of the government junta. Admiral Jose Toribio Merino spoke for junta members. In his brief speech, Merino told President Pinochet there is nothing more pleasant for the legislative branch [the Government Junta] than to reassert that the president's present and future actions are safeguarded by a group of men, who like himself, once gave their solemn oath to defend the fatherland above all things. He said that this is our intention and this is the destiny all five of us share.

In his response, Pinochet noted that these greetings -- particularly at a time like this -- represent the strong unity of all Armed Forces commanders, who have the lofty goal of establishing a solid and stable democracy in the country.

Later, Pinochet was greeted by the members of the Cabinet who met in the O'Higgins Room. Speaking in the name of all ministers, Interior Minister Ricardo Garcia noted the importance of the date being commemorated and added that Pinochet's Government has used the peace that has prevailed in the country to achieve an integral development serving as the basis of true institutionality. He added that although we may be experiencing what can be described as difficult times, there will always be people who are not deaf or blind and who will make correct decisions. [recorded passage omitted]

In his response Pinochet noted that the task undertaken 13 years ago was not free from sacrifices, but through it we were able to achieve social, institutional, and economic development for the Chilean people. He said you can be certain that my only interest is to serve the fatherland and the Army and to be loyal to our best traditions and values. [passage omitted]

The following are details of the ceremony that is now taking place at the military school. This ceremony is being presided over by the president who is being honored on his 13th anniversary as Army commander.

[Begin Relay] President Augusto Pinochet was decorated with the Collar of Peace, which was granted to him by the Army in honor of his 13th anniversary as Army commander for the role he played in the friendship treaty with Argentina. He was decorated by Army Deputy Commander General Santiago Sinclair. [passage omitted]

In his speech, Gen Sinclair said that once again the Chilean Army is expressing its unconditional support for its commander, and that it will not surrender in its struggle against Marxism-Leninism. [passage omitted] [end relay]

SISTER OF TORCHED GIRL DETAINED ON ARMS CHARGED

PY251933 Santiago Domestic Service in Spanish 1700 GMT 25 Aug 86

[Text] A sister of Carmen Gloria Quintana and her sister's husband have been detained as suspects for having broken the Arms and Explosives Control Law.

Their situation will be clarified this afternoon, according to the judge handling the case.

Emilia Isabel Quintana Arancibia and her husband Luis Alberto Fuentes Marin were detained early this morning by personnel of the Investigate Police after an order had been issued by the (?military) prosecutor. [words indistinct] Emilia Quintana -- the sister of Carmen Gloria, the young university student who is still in serious condition because of burns she received in an incident in July in the Nogales neighborhood -- and her husband's case will be handled by prosecutor Marquez today by the Investigative Police. [passage indistinct]

NEW SOCIALIST PARTY FOUNDED; WILL SEEK UNITY

PY260133 Madrid EFE in Spanish 1927 GMT 24 Aug 86

[By Luis S. Saavedra]

[Text] Santiago, 24 Aug (EFE) -- The Chilean Authentic Socialist Party was founded today amid criticism directed at the two other main factions of the Chilean Socialist Party. However, the new party wants to "attain the unity of the socialists."

The secretary general of the party, Juan Carlos Moraga, held a press conference for local journalists and harshly attacked the two other factions (headed by Nunez and Almeyda), which are the major factions of the Chilean Socialist Party. According to Moraga, one of the first tasks of the new socialist party will be to "seek the unity of all Chilean socialists and to take popular support away from the communists, as has happened in the past."

The creation of the new party was agreed upon at a convention of top leaders of the Socialist Front, and dissidents of Socialist Party factions led by Ricardo Nunez and Clodomiro Almeyda and of Manuel Madujano's historic socialism.

Moraga said Almeyda's socialism -- which claims to belong to the Marxist left along with the Communist Party (PC) within the Popular and Democratic Movement (MDP) -- "has lost its identity by living in the shadow of communism." Moraga added: "This faction has foresaken the tradition of the party by supporting the strategy of the PC, and by claiming to be Marxist-Leninist it has entered the Soviet sphere of influence."

As far as Moraga is concerned, by joining the Democratic Alliance [AD] (a coalition in which the Christian Democratic Party has supremacy), Nunez' faction "has mortgaged its future and has become a satellite of a policy which -- in the final analysis -- follows the directives of the U.S. Department of State and seeks to maintain the capitalist system in Chile."

The secretary general of the new Authentic Socialist Party stressed that his group "wants to attain power, is anti-imperialist, humanist and democratic, and proposes to use Marxism only as a method for interpreting history."

Moraga feels that "the communists are the only ones who work with the grassroots because the top and mid-level leaders of the other political parties are too busy drawing up political proposals." Moraga emphasized that the Authentic Socialist Party proposes to advocate seven urgent initiatives. He mentioned, among other things, the need to "support the National Accord for the Transition to Full Democracy," signed by 11 opposition parties, "the creation of a national congress before the arrival of Pope John Paul II scheduled for April 1987," and the "backing of constitutional reform that would enable direct elections for president of the nation."

Moraga explained that the other agreements reached at the unity-seeking congress of socialists were the "support for the struggle for the feedom of political prisoners and for the position of the Catholic Church and of Cardinal Juan Francisco Fresna."

The socialist party expressly condemned the use of any kind of violence for political purposes.

CEPEDA ULLOA GIVES ASSURANCE TO OPPOSITION

PA250408 Bogota EL TIEMPO in Spanish 20 Aug 86 pp 1-A, 2-A

[By Jesus Medina S.]

[Excerpts] Last night the national government said that there are statutes that guarantee the opposition their rights, which are part of the Constitution and laws, and drew away from the pessimism that embraces the Conservatives regarding the future of the new political stage which has begun here.

In his debut in the chamber plenary, Government Minister Fernando Cepeda Ulloa rejected the theory that President Virgilio Barco had "wiped out the National Front by a simple stroke of his pen," and stated that this system has gradually been dismantled.

Cepeda also defended the president's right to name his ministers and governors, and reiterated that the government will respect the rights of people and the security to be afforded to the guerrillas' lives to allow them to reenter society.

Minister Cepeda Ulloa's speech was well-received among opposition representatives. He noted that the government will give respect to minorities for carrying out the opposition which they have declared against the Liberal administration.

In a clear exposition, Cepeda Ulloa outlined the government's attitude toward the opposition and recalled that President Barco had adhered to the national Constitution when he named three Conservative ministers, however the directors of that party did not allow their members to participate in the administration.

Cepeda Ulloa said: "President Barco's promise is serious, and he will keep his word in all aspects, but only if opposition is carried out with mutual respect and within legal parameters." He also said that the administration is not going "to become a booty for the winning forces, but government officials' work stability will be respected without considering political criteria, and to the contrary, it will be based on personal qualifications and professional capacity."

Cepeda Ulloa had been summoned by Conservative Representative Jaime Arias Ramirez, and answered questions put to him by Congressmen Fabio Valancia Cossio, Dario Ordonez Ortega, Elvira Cuervo de Jaramilo, Jorge Eliseo Cabrera Caicedo, and Braulio Herrera, militant of the Patriotic Union, who received his credentials last night. [passage omitted]

In replying to Valencia Cossio, Cepeda Ulloa said that he had the impression that the Conservative Party has not been able to agree on whether President Barco's government is "arrogant, imperial, or impotent," adding that "none of those descriptions apply, as the government respects the citizens' opposition."

Cepeda Ulloa said that President Barco believes that harmony should exist within the Liberal Party, but that he also feels it is necessary to have a strong, monolithic Conservative Party in the opposition. He added that the Patriotic Union's weak minority [minoria debil] will be respected.

In a firm tone, Cepeda Ulloa stressed that peace can be achieved with social transformations and with understanding, adding that signing peace agreements would be purposeless unless political channels are opened so citizens may have a means of protest.

"This administration does not see the peace process as a one man task, as a selfish attitude that excludes all the national forces from the dialogue," Cepeda Ulloa said. He added that the government is committed to reconstruction and reconciliation and the past accomplishments will be consolidated, thus recognizing the achievements of the Betancur administration.

The peace process will be coordinated with social and political programs aimed at promoting a reconstruction of the areas affected by violence. The reconciliation task is considered an enterprise for achieving peace, which will truly reflect a new concept of civic mindedness.

Cepeda Ulloa said emphatically that another requirement for peace is the proper administration of justice which, unfortunately, was neglected by Belisario Betancur's administration. [passage omitted]

Communist representative Braulio Herrera said that the Patriotic Union and the FARC are committed to restoring peace in Colombia, stressing that "the presence of former FARC fighters in the congress shows their desire to achieve national reconciliation."

Herrera called for the abrogation of Article 120 of the Constitution and for the lifting of the state of siege, as well as the elimination of the "sinister death squads that are currently killing Colombians in various parts of the country." [passage omitted]

Cepeda Ulloa said the government will guarantee the mechanisms that will enable the opposition to fulfill its role. He invited the political parties to collaborate in defining the rules of the game and the conditions that should prevail during this new phase, which begins with the dismantling [desmonte] of the National Front.

"The government will be respectful and tolerant of the opposition, will encourage them, and not manipulate the parties to undermine their position," Cepeda Ulloa stressed.

He added that a strong government requires a strong opposition, because the success of the Liberal administration depends largely on the opposition's behavior. "Therefore, the government wants to have a loyal, mature, honest, and even strong opposition, but within a legal framework. The opposition should be well-informed to maintain mutual respect, Cepeda Ulloa said. [passage omitted]

POLICE CAPTURE 'DRUG TRAFFICKER' SOUGHT BY U.S.

PA251943 Bogota Cadena Radial Super in Spanish 1730 GMT 24 Aug 86

[Text] Bogota -- the National Police identified a drug trafficker captured last night in the northern area of the city as Victor Eduardo Mera Mosquera. He is being intensely sought by U.S. authorities, having escaped from a New York jail.

When the well-known criminal was captured, he was posing as Ivan Gullermo Rodriqez Uribe. Mera, who is linked with the organization of hood Severo Escobar, was born in Bogota on 29 August 1953; he will mark his 33th birthday next Friday in jails of the Administrative Department of Security where he will be turned over by the F-2 [secret police] and the (DIJIN) in the next few hours.

436 RAIDS CONDUCTED TO FIND OCHOA, OTHERS

PA251944 Bogota Cadena Radial Super in Spanish 1730 GMT 24 Aug 86

[Text] Bogota -- The operations being conducted jointly by the Army and Police today yielded new results when two farms were raided in the La Victoria Municipality, Quindio Department. They found two high-frequency radios, three .38 cal revolvers, four shotguns, and a large amount of ammunition. The authorities reported that nobody was arrested during the action, because five [words indistinct] fled when they realized the presence of official units.

Thus, 436 raids have been carried out so far on residences, farms, and other buildings in cities in almost all departments in the country in efforts to find the recently-released drug trafficker and horsebreeder [caballista] Jorge Luis Ochoa Vasquez of Antioquia.

PESO DEVALUATION ANNOUNCED FOR 26 AUGUST

PA221938 Bogota Television Service in Spanish 1730 GMT 22 Aug 86

[Excerpts] [Passage omitted] As of next Tuesday, one U.S. dollar will cost Colombians 200 pesos. U.S. currency becomes stronger, while ours is devaluing. [passage omitted]

In general, devaluations stimulate exports because our products are being sold in foreign markets. It is an incentive for foreign investors; capital that had left the country returns, and international reserves are increased. However, a devaluation is very negative for those earning salaries. [passage omitted]

The new administration has announced it will maintain the peso competitive against the dollar. This can only be achieved through a permanent devaluation.

CREATION OF NEW GUERRILLA GROUP ANNOUNCED

PA250214 Bogota EL TIEMPO in Spanish 20 Aug 86 p 3-A

[By Pablo Guarin]

[Text] Puerto Boyaca, 19 Aug -- A new guerrilla alliance set down roots in middle Magdalena and in its first appearance blocked the Bogota-Medellin expressway, murdered a retired police officer, and blew up three pylons.

The new alliance is known as the Trilateral Guerrillas [Trilateral Guerrillera] and is comprised of the National Liberation Army, the Free Fatherland, and the Revolutionary Workers Party, which are also members of the National Guerrilla Coordinating Board.

The emergence of this group has the peasants alarmed, as they have dealt with FARC activities for 20 years.

The subversive elements have been distributing a well-edited, four-color booklet, in which they blame Belisario Betancur's government for the failure of the peace and democratic opening policy and practically declare war on the government of Virgilio Barco, as according to them it is a continuation of repression and misery for the people.

They invite the youths to join and to change power in order to take over.

In another turn of events there was a demonstration yesterday at Las Mercedes, Puerto Triunfo, Antioquia, where a spokesman for the leaders of middle Magdalena announced their decision to back the National Army: They declared themselves to be willing to supply all the information that would lead to the expulsion of the subversives from the region.

Nelson Lesmes Legizamon, president of the Middle Magdalena Peasants and Cattlemen Association, said he is sure those who are up in arms are FARC members who change names to pretend they are keeping to the truce.

'No Proof' of Peruvian Members

PA220417 Madrid EFE in Spanish 0045 GMT 22 Aug 86

[Text] Medellin, Colombia, 21 Aug (EFE) -- Colombian military forces have no proof that the Peruvian "Shining Path" group is part of the newly-formed "Trilateral Guerrilla Force" [trilateral guerrilera] in a northeastern region of the country.

Today, General Manuel Jaime Guerrero Paz, Armed Forces Commander-in-Chief of Military Forces said in Medellin: "We do not have that evidence."

On members of the Shining Path and rebels of other nationalities being in other zones of Colombia, the general said that there is evidence "of the presence of Peruvians in the so-called America Battalion in the southwestern part of the country."

The "America Battalion" is a group of insurgents comprising rebels from Colombia, Peru, Ecuador, Venezuela, Panama, and Nicaragua, who are fighting the regular Army in the mountains of the southeast of the country.

FARC GUERRILLAS STEAL TELEPHONE EXCHANGE

PA250426 Bogota EL TIEMPO in Spanish 19 Aug 86 p 3-A

[By Jairo Cala Otero]

[Text] Bucaramanga, 18 Aug -- Military sources have reported that a FARC cell of the 10th Front stole a complete telephone exchange 2 weeks ago from Telecom which operated at Puente Sogamoso and linked that city with Barrancabermeja.

The source added that: "It is very costly equipment, but the most serious factor is the possibility that the guerrilla organization can now communicate with any part of the country, and worse yet, the danger that certain conversations can be overheard."

The theft of the equipment had been kept a secret, but became known during the investigation being carried out because of a recent ambush of a military convoy which left seven graduating soldiers dead.

IAPA, AIR DECLARATION ON FREEDOM OF EXPRESSION

PA242349 Paris AFP in Spanish 2250 GMT 23 Aug 86

[Text] Quito, 23 Aug (AFP) -- Representatives of the IAPA and the International Radio Broadcasting Association (AIR), today issued an appeal for respect of freedom of expression in Chile, Paraguay, and Nicaragua; and condemned the violation of the people's freedom of expression in Cuba, it was reported here by the official media.

The IAPA declaration was issued during a seminar on humanitarian international law and the news media in Latin America, which was organized here by the International Red Cross this week.

The document was signed by Jaime Mantilla, regional vice president of the regional committee for freedom of press and Hector Amengual, AIR director.

The declaration states that human rights include "freedom of expression and information," and this is considered "the cornerstone for its enforcement and respect to benefit societies and enforce a real freedom."

The document states its concern for the situation being experienced by the news media in Chile. Referring to Paraguay, it also demands the reopening of "the newspaper ABC-COLOR, and an end to the harassment against Radio Nanduti, as well as the full enforcement of freedom of expression for all the media."

Likewise, the document demands the reopening of the newspaper LA PRENSA in Managua, and condemns the confiscation of radio and television stations in Nicaragua.

Similarly, it condemns the "prevailing situation" in Cuba concerning the full suppression of the people's right to freedom of thought, as well as the imprisonment of journalists for the last 20 years.

Furthermore, it deplores the fact "that the limitations to the freedom of expression still prevail in Haiti."

GENERAL ON INITIATION OF U.S. JOINT MANEUVERS

PA240307 Quito Radio Quito in Spanish 2300 GMT 22 Aug 86

[Text] General Marcelo Salvador, commander general of the second air zone, has said that the U.S.-Ecuadoran Air Forces joint maneuvers will begin 23 August. The main objective of those maneuvers is to maintain integration, and doctrine stability between the two friendly Air Forces.

The "Blue Horizon" maneuvers, as they have been called, include air-to-air combat training, air defense, transportation, rescue exercises, air tactics, and others.

REBELS KIDNAP NEWSMEN TO CLARIFY INCIDENT

PA240305 Quito Radio Quito in Spanish 2300 GMT 22 Aug 86

[Text] This morning militants of the so-called Alfaro Lives group kidnapped well-known newsmen to provide them with details of the rescue of their companero Leonardo Vera Vitera which took place last Tuesday at the Eugenio Espejo Hospital.

Guerrilla Vera Vitera, Nicolas Cerezo, the group's captain, and members of the America Battalion were present at this meeting. Cerezo said that the operation at the hospital was out of his control because the death of the three policemen could not be prevented. They also said their objective is not to shed innocent blood and that actions conducted in the future will be aimed at freeing companeros from jails throughout the country.

FOREIGN MINISTER DEPARTS FOR NONALIGNED SUMMIT

PY252225 Paris AFP in Spanish 1832 GMT 24 Aug 86

[Text] Lima, 24 Aug (AFP) -- Peruvian Foreign Minister Allan Wagner left at midnight on 23 August for Harare, Zimbabwe, where he will participate in a meeting of the Nonaligned Movement. At this meeting Wagner will seek to strengthen the drive for unity of the Third World countries.

Meanwhile, President Alan Garcia is working on the speech he will make at the opening of the meeting on 1 September before his counterparts and top representatives of the underdeveloped world. The Peruvian Congress has already authorized Garcia's trip.

The Peruvian foreign minister, who left for Zimbabwe with an entourage of 14 officials, is traveling via New York and London. His objective is to advocate political dialogue on the foreign debt issue, which he said is one of the most important and serious problems as far as the Third World is concerned. Allan Wagner said that the idea is to hold talks aimed at arriving at a broad and straightforward position on this issue and to submit it for discussion at the United Nations.

He said that at the Nonaligned Meeting, Peru will propose a meeting to discuss monetary and financial matters, seeking to amend the current unfair economic order.

Wagner stated that one must become aware of the current serious problems, such as the dangerous policies of the United States and the Soviet Union of making decisions without taking other countries into account. He also warned that the UN Security Council's role is greatly reduced by the veto of the five big powers, and this leads to a harmful paralysis of the UN decisionmaking process.

Speaking about the Central American situation, Wagner said that at the Nonaligned Meeting Peru will call for support for the peace initiatives of the Contadora Group and the Contadora Support Group.

President Alan Garcia is scheduled to depart Lima on 30 August at the head of a delegation. The number of members of this delegation is not yet known. According to government sources it is quite possible that at the meeting, Garcia will propose the integration of all underdeveloped nations to stand up to the International Monetary Fund.

FORMAL GATT MEMBERSHIP REALIZED 24 AUGUST

PA251940 Mexico City Red Nacional 13 IMEVISION Television in Spanish 0130 GMT 25 Aug 86

[Report by Claudio Guzman report]

[Text] The 30-day period following the signing of the GATT protocol has expired. According to the agreement made, our country today became the 92d nation to be granted the status of contracting party of the multilateral pact. Thus, we will fully participate in all GATT activities, including September's ministerial meeting in Punta del Este in Uruguay.

Mexico will get all the tariff concessions the member nations have negotiated since the GATT went into force in 1948 [date as heard]. Our country will be entitled to receive benefits due to its status as a developing nation. In addition, Mexico has taken these steps without compromising its sovereignty over natural resources and over the handling of its agriculture. In exchange, Mexico will grant tariff concessions to 373 actions [acciones] or types of products.

The country's entry into the GATT, which was subject to Senate approval, comes after a process that included consultations with the senate, the president's instructions for the negotiations, and the approval by the GATT's contracting parties.

FIRM REPORTS INCREASE IN FOREIGN INVESTMENTS

PA221644 Mexico City EXCELSIOR in Spanish 18 Aug 86 pp 1, 18-A, 19-A

[By Jaime Contreras Salcedo]

[Excerpts] A report of the Allen J. Lloyd Brokerage House states that the growth rate of foreign investment in Mexico has increased in the past 2 years, making evident that foreign investors have confidence in the country's future. The report indicates that in the first 7 months of the year, projects with more than $800 million in foreign capital have been authorized.

If this trend continues, the Lloyd analysts note, the amount invested in Mexico in 1986 could well surpass $2 billion because the Commerce Secretariat (head of the sector in the National Commission on Foreign Investments) is studying more than 200 projects. The decisions on these will be issued rapidly in line with presidential instructions.

In its analysis of the foreign investments, the brokerage house states that in July a "very beneficial" growth in foreign investment was recorded in diversified industrial areas which in part compensated for the negative effects of the multimillion dollar loss from the drop in the international petroleum prices and the payment of the foreign debt service and capital. [passage omitted]

With the exception of the chemical sector, which reports a drop of a little over 8 percent in investments, such sectors as commerce, food, industry, and manufacturing experienced increases of from 52.63 to 234.36 percent in investments.

Allen J. Lloyd Brokerage, which is headquartered in Guadalajara, said that 2 years ago the U.S. firms already established in Mexico invested a total of $750 million. The plans of those same companies for 1986 are for $1.56 billion, 108 percent higher than in the previous period. [passage omitted]

PARASTATE ENTERPRISE FINANCIAL STATEMENTS RELEASED

FL221614 Mexico City NOTIMEX in Spanish 2255 GMT 21 Aug 86

[Excerpt] Mexico City, 21 Aug (NOTIMEX) -- For the first time ever, Mexico's public administration has released 1985 financial statements of 10 of the most important parastate enterprises. Eight show favorable and two have negative balances.

In a press conference, Deputy Comptroller Secretary Raul Robles Segura reported that Monterrey Foundries -- which recently went bankrupt -- and Mexican Fertilizers [Fertimex] are two of the 10 analysed parastate enterprises which were in the red in 1985 with losses amounting to 56,878,000,000 pesos and 1,187,000,000 pesos, respectively.

Parastate enterprises which showed profits in 1985 were -- Mexican Institute of Social Security [IMSS] (69,450,000,000 pesos), National Lottery (15,320,000,000 pesos) National Financing Agency (7,951,000,000 pesos). Also, Pemex (1,587,000,000 pesos), National Warehouses (1,116,000,000 pesos), Mexican Tobacco (55 million pesos), Mexican Forestry Products (41 million pesos), and Metropolitan Services (19 million pesos). [passage omitted]

FISHERIES SECRETARY TRAVELS TO GUATEMALA

FL231830 Mexico City NOTIMEX in Spanish 1636 GMT Aug 86

[Text] Mexico City, 23 Aug, (NOTIMEX) -- Fisheries Secretary Pedro Ojeda Paullada will travel on 25 August to the Republic of Guatemala to open the fourth Pan-American Congress of Oceanic, Coastal, River, Channel, and Lagoon Engineering.

At the invitation of the Pan-American Union of Engineering Associations, Ojeda Paullada will deliver the opening speech. He will underscore the importance of the various engineering branches in the development of fisheries in Latin America.

The fisheries secretary, who chairs two FAO regional organizations, the Continental Fisheries Commission for Latin America and the Midwestern Atlantic Commission, will meet with Guatemala's minister of agriculture, livestock, and foodstuff.

Ojeda Paullada is scheduled to meet with Roderico Segura Trujillo, dean of the University of San Carlos, on 26 August.

BRIEFS

COCAINE INCINERATION -- Navy Secretary Admiral Miguel Angel Gomez Ortega and Attorney General Sergio Garcia Ramirez yesterday witnessed the burning of 233 kg of pure cocaine in Manzanillo, Colima. The drug was discovered by the Navy days ago in a light aircraft at the Playa de Oro Airport in Manzanillo. [Summary] [Mexico City UNOMASUNO in Spanish 20 Aug 86 p 11 PA]

U.S. TREATY VIOLATIONS WILL BE PRESENTED IN HARARE

PA251540 Panama City EL SIGLO in Spanish 25 Aug 86 pp 1, 30

[By Gilberto Gomez]

[Text] Legislator Pedro Brin Martinez, chairman of the Foreign Relations Committee of the Panamanian National Assembly, has disclosed that during the nonaligned summit meeting Panama will denounce the United States for its constant violations of the Torrijos-Carter Treaties.

The legislator said that in Harare, Zimbabwe, "we are going to denounce before the whole world" U.S. violations of the commitments made in September 1977.

Brin Martinez said that with this action "we are going to renew our struggle at an international level" during the nonaligned summit meeting to be held from 1 to 7 September.

According to the treaties, the United States must give Panama the surplus income from the Canal's operations. In recent years, the surplus has risen to $70 million, but the Panamanian national treasury has not received that income.

The United States has legal dispositions which violate the treaties, such as Law 97-70, or the "Murphy law," passed by the U.S. Congress in 1979, giving the U.S. President and the secretary of defense powers greater than those established by the treaties which the two countries signed.

"The United States knows that by depriving us of income from the ocean passageway it is making us more dependent," the chairman of the Foreign Relations Committee said.

The legislator interprets the failure to pay Panama as a neocolonialist action. He said: "If they do not pressure us with direct colonialism, or with the direct intervention of troops, they intervene with something called economic neocolonialism or economic pressure."

PCC BOARD CHAIRMAN LETTER ON MONEY 'ARROGANT'

PA221512 Panama City Televisora Nacional in Spanish 0000 GMT 22 Aug 86

[Text] Dr Carlos Ozores, Panamanian representative to the Panama Canal Commission [PCC] Board, has referred to the note sent by Victor Cianelli, chairman of the board, regarding Panama's request for the payment of owed sums.

[Begin Ozores recording] We can describe the letter as arrogant. In the letter that we sent him, we mentioned, among other things, the Panamanian Government's well-founded insistence in stating that the Canal Commission owes the national treasury $54 million. They insist this is not correct, and we have told them that in the next board of directors meeting we will show our U.S. counterparts our reasons for this assertion on the commission's debt to the national treasury. [end recording]

COSTA RICA

ARIAS ACCUSES NICARAGUA OF DISRESPECT FOR ICJ

PA242308 San Jose Radio Reloj in Spanish 1330 GMT 24 Aug 86

[Text] President Oscar Arias has said that Nicaragua's accusation shows a lack of respect for the world's highest court of justice. He said this while participating at midday yesterday at the third National University graduation at the National Theater.

President Arias Sanchez said that Costa Rica will win at the International Court of Justice [ICJ] only because the truth always triumphs. He recalled that a group of attorneys will defend the fatherland's honor in the name of a virtuous and virile people. Arias expressed gratitude for the honorary doctorate conferred on him by the National University, which also honors the people of Costa Rica.

ARIAS ON U.S. DISTRIBUTION OF $300 MILLION

PA251541 San Jose Radio Reloj in Spanish 1200 GMT 25 Aug 86

[Text] A total of $300 million will be distributed among the Central American countries, but the U.S. Congress has not decided how to distribute it. That decision will actually be up to the U.S. Department of State. President Oscar Arias Sanchez made these remarks in commenting on a meeting he (?had) with members of the U.S. Congress.

Congressman Mike Edwards [title and name as heard] of California was not clear on the challenge that Central America, particularly Costa Rica, is facing. As I have said before, Costa Rica is the first country that has borders with a Marxist nation and does not have an army, President Arias said. He added: All the countries flanked by neighbors upholding the Marxist-Leninist ideology have alliances with [countries that have] huge armies, a great deal of security, and a strong defense. Costa Rica is the exception. The only weapon we possess is proving to the world that Costa Rican democracy can defeat underdevelopment and poverty, and to do this we need solidarity. There are two alternatives in negotiating our foreign debt. One is to negotiate it in such a way that we will pay less than we do now. The other is to increase capital revenue. This implies receiving more assistance from friendly nations. It is not known how the $300 million will be distributed, President Arias said in closing.

GOVERNMENT DENIES ENTRY TO 4 EUROPEAN VOLUNTEERS

PA240317 Panama City ACAN in Spanish 2046 GMT 23 Aug 86

[Text] Official sources reported today that the Security Ministry yesterday prevented the entry into Costa Rica of four Europeans who were volunteer workers in Nicaragua. The four European volunteers tried to enter Costa Rican territory at the Penas Blancas border post.

Government Minister Hernan Garron Salazar said that his office made that decision because he considered the presence of the Europeans in the country "harmful" and "because of the way they tried to enter, without respect for established rules." Garron Salazar identified the volunteers as Nerone Therri Pol, 24, (Belgian); Ernest Pensinger, 33, (Swiss); and Spaniards Alberto Curri, 24, and Luz Pilar Lopez, 39. The Costa Rican public security minister said that although the four volunteers had been warned that they could not enter Costa Rica as tourists, as they wanted, they tried to enter by force.

EL SALVADOR

CASTILLO, REY PRENDES ON MEXICO MEETING

PA260247 San Salvador Canal Doce Television in Spanish 1900 GMT 25 Aug 86

[Text] The government delegation that attended a private meeting with FMLN-FDR representatives today reported that Sesori, in San Miguel Department, has been confirmed as the site for the third dialogue meeting on 19 September. The two delegations allowed for the possibility of changing, by common consent, the place and date agreed upon. A new private meeting will be held during the first fortnight of September to conclude the remaining aspects, such as security, mobilization, communications, logistics, and alternatives to implement part of the La Palma joint communique dealing with the development of mechanisms to have all national sectors participate in the search for peace.

[Begin recording] [Rodolfo Castillo Claramount, vice president and foreign minister] During its first stage, we, the government delegates, listened to their proposals. We were were informed about the views included in their proposals. We considered those proposals, and we presented our own on Friday. On the same day and after they requested two recesses to make consultations with San Salvador over the telephone, the final decision was made. This decision is the one that you are familiar with and that is described in the document.

[Julio Adolfo Rey Prendes, minister of culture and communications] Curiously enough, they speak about observers and say that they would like some people to be present at the meeting. But as soon as the three of us who attended the meeting arrived -- Ricardo Soriano, vice president of UNOC [National Peasant-Worker Unity], and us -- they objected to the presence of Soriano. They did not want Soriano in the meeting and argued that he was a stranger to the meeting. There is some contradiction. In public they mention the need for observers, yet they tried to prevent the presence of a workers' representative. We felt that, in addition to the presidential delegates, we could take representatives of other forces to this meeting. We agree somewhat that they can invite the UNTS [National Union of Salvadoran Workers] to the meeting as part of their delegation. This, however, was not agreed upon. In other words, we only talked, and this remained pending for the next meeting. I only wanted to clarify these points that seemed important to me. [end recording]

FDR's Ungo Views Talks

PA252131 San Salvador Radio Cadena YSU in Spanish 1800 GMT 25 Aug 86

[Report on interview with FDR President Guillermo Ungo by Carlos Marquez; date and place not given]

[Text] The new dialogue meeting to be held on 19 September in Sesori has triggered different reactions within the various Salvadoran sectors.

Government spokesmen have described the agreements reached in Mexico as a positive step. Meanwhile, the rebels have called on the people of Sesori to create conditions to facilitate the meeting. This morning FDR President Guillermo Manuel Ungo evaluated the meeting in Mexico as follows:

[Begin recording] [Ungo] I feel that the preparatory meeting to agree on specific, operational aspects for the third dialogue meeting was positive. I believe that we have made progress and that we should be satisfied in that regard. The selection of the site reconciles the position of the two parties, as it is located in the eastern region, as requested by Duarte's government, and Sesori was one of the sites proposed by us. So in this respect we believe that the interests of the two sides have been taken into consideration. As for the date, it is still tentative, as it will depend on other factors that are more important and [word indistinct] concerning the dialogue, and therefore it could be changed by mutual agreement, as very important matters are still pending for which we have agreed to hold a second preparatory meeting during the first 2 weeks of December [month as heard]. From the results of that preparatory meeting it will be determined whether the date selected -- 19 September, which was also proposed by us -- will be changed.

Regrettably, although the government sent a high-level delegation and although we met for 3 days, there were substantial and important operational points on which we reached no agreement and on which the government has not clarified its position. The first of these points is the agenda, as there is no point in setting up a meeting and deciding on the place and date without knowing the purpose of the meeting, or what will be discussed. Another important point on which no agreement was reached concerns security aspects, which depend to a large extent on the selected site. Other pending matters are communications, press, access to the meeting by the press and the journalists, and also mobilization. There is a point that remained in euphemistic language, which in reality concerns the participation in the meeting of the organized social sectors as observers. For example, a sector accompanied...[changes thought] In other words the FNOC [words indistinct] accompanied President Duarte's delegation.

There are, however, other social, professional, cultural, and political organizations that want to participate in the dialogue as observers. This stems from the La Palma efforts. Their participation has not yet been decided upon. Summing up, we could say that the Mexico meeting served to reach important accords, although other, also important accords must be reached to determine the coming meeting. We hope this meeting will be held on the date set, 19 September.

[Marquez] In view of the lack of an agenda, the people do not know the nature of the points to be discussed. Nevertheless, the government delegation that attended the Mexico meeting said during a news conference that it will propose the incorporation of rebels into the democratic process and the humanization of the conflict. What can you tell us about this proposal by the government delegation?

[Ungo] Unfortunately, they said this during a news conference and failed to mention it during the 3 days of the meeting. They did not want to consider this point. Should this be their posture, we also have our own proposal. All this could be included in the agenda: their proposal and ours. We agree that the humanization of the war can be included in the agenda. I view this as positive.

[Marquez] Little has been said about security aspects. The guerrillas now enforce a traffic and transportation stoppage. If Sesori remains the site for the meeting, it would be necessary for workers to restore service in the locality. What can you tell us about this?

[Ungo] As for the security, we have included a truce in the topics to be discussed. Our posture about this has been clear and positive. The government has adopted a negative stance. As of late, it has tried to (?so often) this negative stance a little. In a news conference in Mexico City they said they did not like the word [words indistinct]. Their position, however, was a little flexible. I would say that some near agreements occurred in Mexico City, some of them positive. No accords were reached, yet I would not be pessimistic about this. I feel it is fundamental to cease hostilities in the area of the meeting. The government will have to yield on this. I would say the government's position in Mexico about this was favorable, although no accord was reached.

[Marquez] Finally, Dr Ungo felt that the silent majority has already begun to speak up in the country because they regard dialogue as the only way to peace in El Salvador. [end recording]

CLANDESTINE RADIO VIEWS ACCORDS FOR MORE TALKS

PA250351 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 25 Aug 86

[Station commentary]

[Text] The preparatory meeting for the third round of talks held in Mexico City elicited strong national and international interest. This shows the importance of the peace question in El Salvador. Apart from the meeting's circumstances and the fact that it lasted longer than planned, the discussions [words indistinct] two things were obvious. One, the government's quote high level unquote delegation did not have the power to make decisions. This forced our delegates to spend most of their time waiting for the government delegation to consult with Napoleon Duarte. In turn, we suppose that he also had to consult with someone. Two, and the most important. For Duarte, the third dialogue meeting is not more important than the need to get more weapons for the war against the people. The meeting had hardly begun when Duarte hastened to say that his delegation was authorized to discuss only mechanical matters. This is to say, the delegation had no power to discuss anything about guaranteeing adequate security conditions for those participating in the meeting; to discuss anything about the participation of the most varied social and political sectors of the country in the meeting; or about the handling of the mechanisms to keep our people informed on the course of the meeting. Under these circumstances, the results of this preparatory meeting have been positive but limited. As we have reported to our people, already the government delegation accepted our two proposals on the place and date for this dialogue. In view of Duarte's adamant insistence that the meeting be held in the country's east because he is afraid the people will stage gatherings, and in view of his refusal to confront our stance in the eyes of all of the country's sectors, we proposed Sesori as the site for the third dialogue meeting. Sesori is a long-suffering city in the country's east. Duarte has agreed. This has proven our fronts' flexibility. This is, above all, a victory for the people. We have succeeded in getting Duarte to meet with us out of a garrison. Sesori is a city where the enemy does not have permanent positions. Sesori is a city that does not have a civilian defense. Sesori is a city without detachments of the repressive organizations. Sesori is not a highly militarized city. In a word, Sesori is not a barracks. Sesori is indeed one of many heroic cities in the north of the San Miguel Department. It is a city martyred by its most recent executioner, Colonel Staben, who heads the genocidal Arce Battalion. Staben has permanently repressed the people by murdering, persecuting, and kidnapping them in the north of San Miguel.

The FMLN-FDR feels that by proposing Sesori as the site for the third dialogue meeting, it will contribute to reducing the cruel repression that Col Staben has imposed on the people of Sesori during [words indistinct]. We know that the irrationality of the executioners of the people is boundless. Let us recall how the criminal Sigfrido Ochoa tried to take La Palma prior to the first dialogue meeting. It would not be a surprise if this other criminal Vaca Staben tries something similar. But a white flag flies over Sesori at this moment. This heroic city now has the honor of being proposed by its vanguard as another city of peace and justice. The eyes of humanitarian organizations, the eyes of the organizations that watch over neutrality in situations of war, and the eyes of the international community are already on this small city in the country's northern mountains. The workers of the country are ready to denounce and demonstrate against the repression and the unjustified detainment of the civilian population. Our rifles will go on defeating the imperialist plans, the military operations, and the genocidal plan "United To Rebuild." We appeal to the people of Sesori to begin to set the material conditions for the third dialogue meeting so that it will take place in an adequate framework. All of the Sesori people should set about to create the material conditions to make their city worthy of this event that entails so much importance for the people. Restore energy and telephone services. Restore the parochial church that has been damaged by the war. Keep the city clean. Our people move forward on all fields.

We are making progress in the field of a political solution. We have succeeded in setting a place and date for the third dialogue meeting and (?establishing) minimum conditions for such a meeting to be held. We want to set forth before our people that the FMLN and the FDR keep their unchanging position of establishing the conditions necessary so that the third dialogue meeting can be held. Therefore, important accords are still pending. These accords must be reached in the next few days during the coming preliminary meetings. If these accords are not reached, the accords already reached could be in danger. The FMLN-FDR, in the eyes of our people, moves forward, consistently and responsibly, toward the conquest of peace with justice, which our people demand.

BISHOP SCORES CONSERVATIVES OPPOSED TO TALKS

PA250416 Hamburg DPA in Spanish 1831 GMT 24 Aug 86

[Text] San Salvador, 24 Aug (DPA) -- Gregorio Rosa Chavez, auxiliary bishop of San Salvador, today scored the most conservative Salvadoran sectors, which have orchestrated a campaign of opposition to the dialogue between the government and the insurgents. Rosa Chavez scored those sectors during the Sunday homily and at an impromptu informative news conference following the mass, during which he asserted that "on behalf of peace we cannot allege constitutional rigidity or set up legal obstacles."

"Many have spoken on behalf of these people in the last few days. However, I am not sure that their opinions objectively reflect the aspirations of the huge number of Salvadorans whom some claim to represent," Rosa Chavez added. He then said: "Our experience as pastors clearly shows that the people are tired of war and want to see the end of so much madness as soon as possible. They want the end to arrive not through the force of weapons, but through methods more appropriate for human beings."

In his homily, Rosa Chavez discussed the dialogue and the agreement reached last weekend in Mexico by the government and the FMLN-FDR to meet in Sesori, north of San Miguel Department, in the east.

After it was announced that the meeting would be held in Sesori on 19 September, the most right-wing groups in El Salvador protested, as they feel that President Jose Napoleon Duarte has legitimized the rebels by holding a dialogue with them. Other sectors feel that that stand is contrary to the Constitution and should therefore be reconsidered. The Salvadoran military men have abstained from expressing a view, alleging that that matter concerns Duarte, who by constitutional mandate is also general commander of the armed forces.

In his homily, Rosa Chavez said today: "It is all right to demand that everything be arranged in accordance with the Constitution, but it would be even better to ask that peace be sought in accordance with the spirit of the Constitution, which on its first page acknowledges that man is the center and end of all state institutions."

As for the prior talks held for 3 days in Mexico City, the pastor said that "at last it was learned that both parties had decided to go to a third round of talks at a specific place." It could be that if many obstacles emerge, the meeting may not yet be held in Sesori, so other alternatives were mentioned, but there is no doubt that it will be somewhere in the east, the auxiliary bishop said.

Msgr Rosa Chavez told reporters that last night he spoke to Msgr Arturo Rivera y Damas, who would return to San Salvador this Sunday and was very pleased with the work carried out, even though he did not mention anything about the exchange involving Colonel Omar Napoleon Avalos. Avalos has been in the Salvadoran guerrillas' hands since 26 October 1985 and the release of over 900 noncombatant political prisoners is being requested in exchange for his release.

Msgr Rosa Chavez said today that Sesori, located 132 km east of the capital, has already entered history. "It is a small town that has suffered much due to the violence, a town close to Ciudad Barrios, the cradle of assassinated Archbishop Msgr Oscar A. Romero." The Salvadoran auxiliary bishop finally said today that during the week the subject of the dialogue had overshadowed other incidents of national importance in this country. To conclude, he said that 22 deaths had been reported last week as a result of political violence.

ARMED FORCES ANNOUNCE TRANSPORTATION ACTIONS

PA260329 San Salvador Radio Cadena YSU in Spanish 0307 GMT 26 Aug 86

[Coprefa communique; date and place not given]

[Text] Given the constant threats against the Salvadoran people from the FMLN-FDR terrorist groups and the boycott against the transportation activities throughout the country, the Salvadoran Armed Forces reports the following:

1. Specialized Salvadoran Infantry, Artillery, Cavalry, and Air Force units have been deployed in a specific plan to protect the transportation activities, and it has been called "Operation Walker." [Operacion Caminante]

2. All the military garrisons are on a state of alert and are constantly patrolling all highways, to maintain continuity in transportation activities and immediately responding to any civilian request for defense of their rights.

3. The terrorist threat is a propaganda action that violates all the Salvadorans' human rights, and violates the right to live, work, and be free.

GUATEMALA

SPANISH GOVERNMENT CLOSES CASE OF EMBASSY FIRE

PA240345 Panama City ACAN in Spanish 0231 GMT 23 Aug 86

[Excerpt] Guatemala, 22 Aug (ACAN-EFE) -- Today, the new Guatemalan ambassador said that Guatemala and Spain have ended their differences that originated with the fire at the Spanish Embassy in Guatemala City where 39 persons died 6 years ago.

Danilo Barillas, former secretary general of the Guatemalan Christian Democracy Party -- which is in power -- and Guatemalan ambassador to Spain, reported that the Spanish Government was satisfied with the explanation over the incident which occurred 31 January 1980. The diplomat, who did not reveal the explanations given to Spain by his government, said that that country no longer demands imdemnification over the incident in which one of Spain's representatives lost his life.

The trouble started when a group of peasants and university students took over the Spanish Embassy in order to pressure the military regime of Romeo Lucas Garcia, "to free political detainees." At the moment of the takeover, the Spanish Ambassador Maximo Cajal y Lopez was meeting with former Vice President Eduardo Caceres Lehnohf, former Foreign Minister Adolfo Molina Ornates, and First Secretary of the Embassy Jaime Ruiz del Arbol. When the police intervened, by order of Minister of the Interior Donaldo Alvarez Ruiz, the embassy, which was located in the southeastern part of the Guatemalan capital, was set ablaze by "Molotov" cocktails. In the operation, which the Lucas government considered "antiterrorist," 39 peasants and university students died, as well as the Spanish diplomat Ruis del Arbol. Ambassador Cajal y Lopez was saved miraculously. [passage omitted]

NICARAGUA'S CALERO ARRIVES FOR SUPPORT

PA242137 Panama City ACAN in Spanish 1623 GMT 24 Aug 86

[Excerpts] Guatemala City, 24 Aug (ACAN-EFE) -- The Nicaraguan anticommunist leader Adolfo Calero Portocarrero arrived in Guatemala "to seek the moral support of our Guatemalan brothers." Calero will meet "in private" with the leaders of Guatemalan anticommunism, represented by the National Liberation Movement, the leader of which is Mario Sandoval Alarcon.

During an informal news conference, the anti-Sandinist leader said: "Nicaragua is the only Central American country that does not have a democratically elected government." He added that all of those who oppose the Sandinist government "want a peaceful change," but that the Nicaraguan leaders' refusal to dialogue "leaves only one alternative, this is to say, the use of arms, as the contras have been doing."

According to Calero, the use of the words "contras" or "anti-Sandinists" is not proper because all those who fight in Nicaragua "are anticommunists who want a genuine democracy in the country." [passage omitted]

Regarding U.S. aid for the contras, Calero said that they (the anticommunists) are not concerned over who gets the aid but that "the adequate administration of this aid is what counts."

He also said he did not know exactly why Eden Pastora, Commander Cero, withdrew from the fight. Calero noted, however, that "the struggle is not of one man alone but of all of us who love freedom and democracy, which have been negated by a communist, repressive regime."

Finally, Calero said that "the Sandinists envy the Guatemalan Government because this government is the result of free and democratic election. The Sandinists also envy the other governments which share similar principles."

HONDURAS

PRESIDENT DECLARES WORKERS' STRIKE ILLEGAL

PA251338 Tegucigalpa Domestic Service in Spanish 0015 GMT 25 Aug 86

[Communique issued by President Jose Azcona Hoyo and Adalberto Discua Rodriguez, labor and social welfare minister, in Tegucigalpa on 24 August; read by Labor Ministry spokesman Jose Arturo Chavarria Sierra]

[Text] In view of the administrative measures adopted by the National Agrarian Institute [INA] to organize and expedite the implementation of the institution's program, the union of workers in that institution has been conducting illegal actions, such as the collective work stoppage and the occupation of state buildings.

Other labor organizations operating within important institutions that provide public services which cannot be interrupted have also agreed on and have carried out daily and progressive stoppages at their respective working centers. These actions began on 19 August and were to end with a total work stoppage on 27 August. In this respect, the unions involved have stated that these actions are being conducted to show their solidarity with Sitraina [Trade Union of National Agrarian Institute Workers] and to pressure the INA's executive director.

All these actions have been planned and coordinated by the United Federation of Honduran Workers, FUTH.

The Labor and Social Welfare Secretariat had previously warned the workers and their unions about the illegality of their actions, which violate specific norms contained in the Labor Code.

Upon requests by the directly affected autonomous institutions and also considering the soundness of the claims received from the most representative organizations of the private enterprises, unions, workers federations and confederations, and peasant leagues, and above all in exercising the state's obligation of complying with and ensuring compliance with the Constitution and laws and preserving domestic peace and security, the government of the republic has issued the following resolution:

Executive Branch

Secretariat of State for Labor and Social Welfare

Tegucigalpa, D. C., 22 August 1986

After analyzing the facts and based on the reports prepared on 14, 19, 20, and 21 August by the labor inspector at the working centers mentioned later on in this document, it has been established that the workers' unions in those centers have been conducting progressive collective work stoppages following instructions from the FUTH.

Whereas:

The union leaders have reacted negatively to the timely requests and calls issued by the labor adminstration authorities, and have announced that the progressive stoppages would continue and would end with a total paralyzation of public services to pressure the INA into replying favorably to the demands made by the Sitraina.

The workers are forbidden from intentionally slowing down their activities, illegally suspending their work, promoting sudden work stoppages, or inciting or maintaining such actions.

Unions are forbidden to promote work disruptions or stoppages, except strikes declared in accordance with the law.

The illegality of a collective work stoppage has been administratively declared, but in this case, the promoters of the stoppages have not failed to heed the calls.

Therefore, in accordance with Articles 98, clause 5; 499, letter E; 570 and 571 of the Labor Code, as well as Article 88 of the Code on Administrative Procedures, resolves:

1. To declare illegal the collective work stoppage conducted by the labor unions of the following social organizations: National Agrarian Institute, National Housing Institute, Institute of Professional Training, National Enterprise for Electric Power, National Children's Board, Honduran Social Security Institute, and National Water and Sewage Service.

2. This resolution along with the necessary instructions will be given to the managers of those institutions, and to the ILO for notification.

[Signed] Jose Azcona Hoyo, President of the Republic

Adalberto Discua Rodriguez, Labor and Social Welfare Minister.

The Government of the Republic states the following to the Honduran people:

It has no interest in destroying the labor unions, and the decision has been made within the framework of the country's labor laws with the purpose of preserving the nation's peace and tranquility.

Consequently, it orders the workers of the state's decentralized institutions who have participated in the illegal work stoppages mentioned in the resolution to return to work tomorrow, 25 August, at the regular hours.

The presidents, managers, and directors of those autonomous institutions are ordered to ensure their workers' strict compliance with their duties and to keep President Jose Azcona Hoyo informed of developments.

Tegucigalpa, D. C., 24 August 1986

NICARAGUA

SANDINIST ASSEMBLY ISSUES COMMUNIQUE ON NATION

PA251308 Managua Radio Sandino in Spanish 1300 GMT 24 Aug 86

[Text] The Sandinist Assembly's fifth meeting concluded at the Cesar Augusto Silva Conventions Center after being called to analyze the economic situation and aggresion which the country has been withstanding from U.S. imperialism.

The Sandinist Assembly, a consultative organization of the FSLN National Directorate, passed a resolution early this morning and stated that the country is living its most critical moments in the economic sector after 7 years of revolution. The war imposed by the U.S. Government, and the commercial and financial crisis which affects Third World countries, have had more negative effects; this is proved by, among other things, the acute problems in the production and distribution sector.

The final communique issued by the meeting adds: During the last 5 years, the U.S. Government has defined and carried out a policy which is aimed at destroying the revolutionary power which was achieved by the FSLN and the Nicaraguan people on 19 July 1979.

The U.S. Administration has invested more than $100 million in this counterrevolutionary project during the last 5 years as aid to the mercenary forces, and has given more than $5 billion to the Central American governments for their role as platform for the encirclement and attack policy against the Sandinist revolution.

Following the approval of $100 million and the arrival of advisers for the mercenary forces, plus the approval to the CIA so that it may act freely -- all this approved with the U.S. congressional vote -- the perspectives for a peaceful resolution of the conflict seem more distant; likewise, the interventionist attitude which has been favored by the Reagan administration in the military sector is thus strengthened.

The Sandinist Assembly states, upon conclusion of its meeting, that the low-key war is aimed at annihilating and wearing out the country's economy with the intention of changing the people's support of the revolutionary project, thus opening an internal political space that serves as the basis for the interventionist plans, which includes an eventual direct action by the U.S. Army.

Given the situation, the defense of the revolutionary power becomes a priority task and the main responsibility of the FSLN and the Nicaraguan people and government. The measures to counter the problems in the economic, production, and distribution sectors are of a secondary importance to this vital issue.

Based on this outlook, the FSLN National Directorate has discussed the problem with the Sandinist Assembly, given that it should be urgently countered with extraordinary measures that must be carried out immediately.

The defense of the revolutionary power demands the adoption of all the necessary measures to counter and control the crisis with our own resources and the use of external resources in the best manner.

The National Assembly also states that the rational distribution and use of our resources; the organizational measures in the political and production sectors, such as discipline in our work, efficiency, and unity; and the coherent implementation of the guidelines to defend the Sandinist poeple's power are necessary to face this crucial moment.

Based on the Sandinist Assembly's proposals, the FSLN National Directorate has outlined a series of measures to counter the country's financial crisis, distribution problems, and commerical activities, with the intention of recovering the government's organization and control of the country's economy.

Managua, 23 August 1986

Secretariat of the FSLN National Directorate

UNO COMMUNIQUE VOWS NOT TO 'INVOLVE COSTA RICA'

PA250052 San Jose LA NACION in Spanish 18 Aug 86 p 25-A

[Communique issued by Nicaraguan Opposition Unity, UNO, Southern Front: "We Shall Never Involve Costa Rica;" dated 15 August]

[Text] The UNO-Southern General Headquarters and Regional Commanders that fight in the south and east of Nicaragua for the establishment of a democracy, address the free peoples of the world in connection with the approval of the $100 million aid to express:

1. Our satisfaction with the aid granted by the U.S. people and government to the Nicaraguans who fight for the freedom and democracy of our fatherland.

2. This aid will permit important advances in our struggle, as we have the people, we have the goal, we want freedom, and what we need are technical resources to reach a victory.

3. We will not let the Nicaraguan people down, nor the U.S. people nor the peoples backing us and who wish for the speedy liberation of our fatherland.

4. This aid renovates our willingness for sacrifices and strengthens the responsibility and maturity which as Nicaraguan, democrats, and revolutionaries we have with our people and with our history.

5. We publicly reaffirm to the people and Government of Costa Rica that our struggle and its advances are and will be in Nicaragua where 4,500 fighters move in 25,000 square kms, and we shall never use Costa Rican soil for our actions. Our struggle tactics of these 3 years have permitted us not only to be based in our territory, but also to be with our Nicaraguan peasants.

6. We say this clearly: We will not provoke any incident on the Costa Rican border, we shall never install anything military in Costa Rica, we shall never involve Costa Rica in our struggle.

7. What is more: As of now we announce that any border actions that try to upset the tranquility of the Costa Ricans will be the deed of communist groups or hoodlums that will try to discredit President Arias, his government, and his proclamation of neutrality, to which we reiterate our deepest respect.

Without Somozism Without Communism.

Southern Nicaraguan Mountains, 15 August 1986
UNO-Southern Front
Commander Fernando "Negro" Chamorro, Commander in Chief
Commander Leonel, 2d Commander
Ganso, Regional Commander
Ramon, Regional Commander
Navegante, Regional Commander
Omar, Regional Commander
Oscar, Regional Commander
Pedro Rafa, Regional Commander

Responsible signature: Fernando Delgadillo, Ced. No: C047172

CONTENTS OF CASTRO LETTER TO U.S. CONGRESSMAN

FL251941 Havana Television Service in Spanish 1700 GMT 25 Aug 86

[Text] In his speech at the 26 July commemoration this year, comrade Fidel referred to the letters exchanged with U.S. Congressman Michael Bilirakis [R.-Florida]. The letters concerned the Cienfuegos nuclear power plant.

In his response, our commander in chief stated that the plant's technology is one of the safest and most used throughout the world, especially in the United States, where it was originally developed under the name BWR. When the plant is completed, it will have reactors of the type referred to above, and will have a total generating capacity of 1,600 eletric mgw.

The safety of the Juragua installations, the letter noted elsewhere, is guaranteed by very strict measures which include the plans, construction, assembly technique, and the future exploitation of the reactors. The plant will be equipped with modern and efficient systems, and is designed to withstand and mitigate serious damages without any consequences for the environment, including such unpredictable risks as the impact of an airliner against its buildings, an earthquake, or a tidal wave.

In his letter, Castro added that no neighboring country should worry or feel anxiety in this respect because Cuba, in a responsible manner, is observing and will continue to observe established regulations, will work for broadening and improving the current international safety systems, advocates greater cooperation and mutual exchange of information among neighboring states having nuclear power plants, and, from this moment on, adopts all foreseeable measures aimed at guaranteeing the safe exploitation of this energy source which is indispensable for the advance of the national economy.

FURTHER RADIO REPORTAGE ON U.S. ECONOMIC BOYCOTT

PA250447 Havana International Service in Spanish 2300 GMT 23 Aug 86

[Commentary by Mario Montes]

[Text] There are people in the world who never learn their lessons and who stumble repeatedly on the same stone. This is the case with the senile U.S. President, Ronald Reagan, who has just approved the reinforcement of the economic blockade imposed on Cuba nearly a quarter of a century ago. This reinforcement of the blockade aims at making our country **activate** the immigration agreement signed with the United States in 1984. This accord, which provides for the return to Cuba of a group of so-called Marielitos [alludes to the El Mariel port used to embark Cuban refugees to the United States] -- regarded as undesirables by U.S. authorities -- and the regulation of Cuban citizens' leaving for Yankee territory, was denounced by the revolution after an anti-Cuban radio station officially sponsored by the White House began operation. Of course, Reagan errs if he thinks that with this new decision and other additional measures he can make a dent on a people who have been waging a victorious battle since 1959 against the most important imperialist power. Cuba does not take orders from anybody or accept pressure of any kind. Otherwise we would not exist as an independent nation today. For Cubans, principles are worth more than any material benefit. This is a lesson that imperialism has not learned. If Reagan thinks he can impose his will on Cuba with ridiculous boasts, he is dead wrong. Whether Washington likes it or not, it will always be impossible to talk with the Cuban revolution from a posture of force.

It will be even more difficult to impose measures on Cuba or make this country change its stance with aggression and plunder. This is something that must be remembered by those who regard arrogance as the suitable weapon to deal with smaller countries. In addition, this is not new for Cubans, who are used to these particularly acute explosions of wrath from the current U.S. President. These outbreaks are much in accordance with his fascist-like vision of the world and international relations. Imperialist gentlemen, Cuba will not yield to blackmail or boasts. History has always agreed with dignity. This is why we are sure of our victory.

VIEIRA HAILS USSR'S DECISION FOR MORATORIUM

FL251359 Havana Radio Progreso Network in Spanish 1100 GMT 25 Aug 86

[Text] Cuban Vice Foreign Minister Jose Raul Vieira Linares has told the Soviet press agency TASS that the Soviet Union's decision of prolonging until January 1987 the unilateral moratorium of nuclear testing is a courageous and responsible step forward which responds to the recent call made by the Group of Six during a meeting held in Ixtapa, and to the outcries of world public opinion.

Linares said this decision demonstrates the Soviet Union's willingness to achieve real agreements on disarmament, to attenuate tensions, and to make it possible for the world to direct its attention toward problems of economic development.

FOREIGN MINISTER MALMIERCA ARRIVES IN HARARE

PA251602 Havana International Service in Spanish 1600 GMT 24 Aug 86

[Text] Cuban Foreign Minister Isidoro Malmierca arrived on Sunday in Harare, Zimbabwe to participate in the ministerial meeting prior to the eighth summit of the Nonaligned Movement, which will be held there.

On his arrival in Harare, Malmierca described as positive, the draft final declaration prepared by Zimbabwe. He stressed that the document has all the elements needed to achieve the Nonaligned Movement's objectives in the summit. Among those aspects, Malmierca said, are the peoples' struggles for peace, disarmament, and economic development, the need to eliminate the infamous regime of apartheid in South Africa; and the continuation of the efforts to obtain Namibia's independence.

GRANMA CITED ON U.S. TRAINING OF SALVADORANS

PA241930 Havana International Service in Spanish 2300 GMT 21 Aug 86

["What the Cuban Press Says"]

[Text] In its usual commentary section that the Cuban paper GRANMA entitles "New Paragraph" [Con Punto y Aparte], well-known newsman Juan Marrero analyzes the role of Salvadoran military men and the decisive aid given to them by the U.S. Administration.

The GRANMA commentary states that Central America has become real torture for President Ronald Reagan; everything he does there or tries to justify with propaganda schemes will strongly strike back at him sooner rather than later.

Several U.S. congressmen just revealed that the Pentagon, by a decision of the State Department, has been training Salvadoran soldiers known to be members of death squads who have been involved in thousands of murders. To dispel any doubts, the denouncers revealed names. Included in that list were Colonel Jose Dionisio Hernandez, officer of the Salvadoran National Guard; Lieutenant Colonel Julio Adolfo Medrano, intelligence chief of that same organization; and Mayor Baltazar Lopez, former chief of intelligence personnel.

GRANMA adds there are approximately 6,000 Salvadoran soldiers and officers who participated in antiterrorist training carried out in June and July in Washington and Arizona and in August in Louisiana. Iowa Senator Tom Harkin, one of the denouncers, said: We are training hardened murderers to be more efficient.

As if the mining of Nicaraguan harbors and the drafting of manuals on how to disturb order or the military and financial aid to Somozist contras were not enough, this incident illustrates how the Reagan government grossly makes fun of its own definitions of the struggle against terrorism with which it has tried to deceive the U.S. and world public.

In his interesting commentary entitled "More Efficient Murderers," Cuban newsman Juan Marrero adds that although we know that nobody in the world has more information about the Salvadoran military than the Pentagon and the CIA, the Reagan administration has trained well-known murderers in U.S. territory.

Nevertheless, Reagan is still speaking of moral principles and claiming legitimate rights in his struggle against international terrorism, GRANMA states. All that is totally fraudulent. The U.S. President does not care two hoots about moral and legal principles. He is only concerned that his freedom fighters agree with and are at the service of imperialism; that anticommunists oppose the USSR and Cuba, and that they be willing to [words indistinct] peasants, children, and women to prevent other peoples from achieving and consolidating a genuine independence.

The latter part of the GRANMA commentary states that the U.S. President does not care whether they are Somozist criminals; he does not care whether they are Salvadoran criminals, either. The Reagan doctrine specifies that if they are already criminals, the immediate objective is to make them more efficient criminals.

In sum, such a philosophy perfectly reflects the current and past behavior of U.S. imperialism, Marines, Green Berets, and Rapid Deployment Forces. A considerable part of such terrorism has been suffered and is being suffered today by Latin Americans.

On Approval of Contra Aid

PA251556 Havana International Service in Spanish 2300 GMT 23 Aug 86

["What the Press Has to Say" feature]

[Text] Journalist Jose Antonio Benitez titles a commentary published in a recent issue of the Cuban newspaper GRANMA "$100 Million to Kill Nicaraguans." Due to its importance, we will offer it as the sole item in today's feature.

If it were possible to take some counterrevolutionary ideas, some vices, some scourges, and some human degenerations in the same way that one mixes chemicals and minerals for a formula, and if one places them all in a test tube, in time we would end up with the U.S. Senate's decision to approve $100 million for the anti-Sandinist contras.

GRANMA adds: Nevertheless, a test tube was not necessary because with the same ingredients, the U.S. Congress approved the money for the anti-Sandinist assassins, for the mercenaries trained in the U.S. military camps, for the Somozists. The Republican-controlled Senate approved the money for the contras in a vote that Reagan described as historic and in favor of democracy. The Democratic-controlled House of Representatives had approved the funds in June.

Of course, the $100 million is not for humanitarian aid or for the education of the Nicaraguan children in Nueva Segovia, San Juan, Jinotega, or Matagalpa. It is not to build houses or schools in the countryside. It is not to be used for the Nicaraguan people's health. The $100 million is for killing Nicaraguans, children, women, men, and old people.

GRANMA adds that the money is for killing, like CIA mercenaries infiltrated from Honduras killed Antonio Rios and his wife in El Tortuguero in Matagalpa Department. They beat them and butchered them. The money is for killing: they murdered three 12-year-old girls near the Honduran border; they killed evangelist Jacobo Aguinaldo Mendoza who was beaten and cut into pieces which they threw into a river; they murdered children on El Algodon mountain; they have killed more than 15,000 Nicaraguans in recent years.

The Central Intelligence Agency, President Reagan's advisers, and a large number of the U.S. legislators have given these assassins the name of freedom fighters, whose fundamental motivation is their deeds, crimes, and terrorist operations.

The commentary by journalist Jose Antonio Benitez stresses that this is not the first time Yankee imperialism has invested money in its aggression against the Nicaraguan people. It has been charged, the commentary states, that the current U.S. President has made available almost $1 billion for this purpose.

One of the reasons for Reagan's desperation for Senate approval of the $100 million for the anti-Sandinist contras was to make its members accomplices of the White House policy against Nicaragua, as he had earlier done successfully with the House of Representatives.

The commentary published by GRANMA concludes: What Reagan, the U.S. Congress, the Central Intelligence Agency, the transnational companies, and the aid to the contras will not achieve is to defeat the 3 million Nicaraguans who are on a struggle and combat footing in the face of the threats of the enemy of mankind.

"OUR AMERICA" VIEWS CARACAS SELA MEETING

PA242247 Havana International Service in Spanish 2300 GMT 23 Aug 86

["Our America" commentary -- read by Norberto Hernandez]

[Text] The regional foreign debt and the commercial protectionism of the United States and the capitalist European countries are definitely smothering our nations. These two major concepts caused the greatest impact among the 80 delegates of 25 countries of the area who gathered in Caracas to participate in the preparatory meeting of the Latin American Economic System, SELA, which will be held in Lima in October.

A foreign debt of $400 billion, annual interest payments exceeding $40 billion, and the creditors' determination not to seek political solutions to this serious problem of insolvency are creating a situation of economic chaos of unforeseeable consequences.

The SELA meeting verified with concern that the industrialized West is not putting forth positive initiatives in this regard and in the last analysis is limiting itself to accepting minimal changes in the interest payments on some loans, provided that the purported beneficiary agrees to adopt the Draconian measures demanded by the IMF, which are tantamount to unemployment, the denationalization of assets, and a high cost of living.

SELA also attacked dumping [preceding word in English] and protectionism, which have become the favorite policies of Washington and the capitals of Western European countries. The agricultural policy structured by the EEC and implemented through subsidies for numerous agricultural and livestock products alarms nations that are chiefly exporters of agricultural raw materials.

As Sebastian Alegrett, SELA permanent secretary, said, Spain and Portugal joining the EEC seriously limits the traditional access of Latin American products to these two nations. The protectionist policy the United States has established deserves separate treatment. The tariff barriers imposed by Washington have affected 38 percent of the exportable agricultural products and 24 percent of the industrial products of undeveloped nations. The White House's yearly tariff revisions eliminated products worth $13 billion from the preferential system. Latin America suffered 35 percent of this figure, which translated into net revenue losses. Consequently, the participation of the area exports in the U.S. market decreased by nearly 3 percent over the past few years. Simultaneously, Reagan did not hesitate to apply the arbitary Yankee trade law that entails discrimination and exchange restrictions against nations like Brazil, which is intent on protecting its computer industry from U.S. penetration.

These factors have permitted those who met in Caracas to discuss in depth the true problems that affect the regional economy. Unity as a defensive weapon has begun to force its way through. Those who attended the meeting in Caracas are convinced of this. This means that the course of integration will surely become broader in Lima with more consolidated views.

NICARAGUA PROTESTS TO SHULTZ ON REAGAN REMARKS

PA241504 Havana International Service in Spanish 1600 GMT 22 Aug 86

[Text] The Nicaraguan Government has officially protested a statement by U.S. President Ronald Reagan publicly admitting that the objective of the aggressions on Nicaragua is to overthrow the Sandinist government. In a letter to U.S. Secretary of State George Shultz, Nicaraguan acting foreign minister Jose Leon Talavera said that Reagan's statements mean the situation is becoming increasingly grave and the U.S. policy for his country will eventually lead to a direct military intervention.

The note adds that the U.S. Government apparently has interpreted the U.S. Congress approval of $100 million to finance the counterrevolutionaries as an official permit to directly attack Nicaragua.

ORTEGA ON POTENTIAL OF U.S. INVASION OF NICARAGUA

PA240300 Havana International Service in Spanish 1600 GMT 23 Aug 86

[Text] Nicaraguan President Daniel Ortega said in Managua that the possibility of a direct U.S. military invasion of his ocuntry becomes greater every moment. Ortega warned that the decision by the U.S. Congress to approve the $100 million dollar aid to the counterrevolutionary gangs, considerably increases the danger of aggression.

The Sandinist leader noted that this increase in aggression is a new stage of confrontation with the United States. He called on all the country's patriotic forces to join existing military structures to defend the revolution. The Nicaraguan head of state made these statements during an EPS ceremony. At that ceremony, Defense Minister Humberto Ortega received the military rank of general and the Army.

H. Ortega: We "Will Defend"

PA242353 Havana International Service in Spanish 2300 GMT 23 Aug 86

[Text] Nicaraguan Defense Minister Humberto Ortega has said that his country is willing to suffer the loss of thousands of lives if a direct U.S. intervention occurs and added: U.S. troops will die by the thousands, too, because the invaders will bite the dust of defeat.

He made these remarks during the ceremony to confer new ranks on high-ranking EPS officers under the new military nomenclature. He also said that Nicaragua does not intend to see young Americans die for an unfair cause. He said: The Nicaraguan people do not want to fight anybody, but they will defend themselves.

MANAGUA WANTS TO HOST NONALIGNED SUMMIT

PA250424 Havana International Service in Spanish 2300 GMT 24 Aug 86

[Text] President Daniel Ortega said in Managua that the U.S. Government has been exerting pressure to prevent Nicaragua from being chosen as host of the ninth summit meeting of the Nonaligned Movement at the meeting that will be held in Zimbabwe. Ortega expressed his confidence that the countries of Latin America, Africa, and the rest of the Third World will support Nicaragua's nomination.

President Ortega left Sunday for Yugoslavia, on a tour to European and African countries, before and after attending the eighth summit meeting of the Nonaligned Countries Movement in Harare, capital of Zimbabwe.

DELVALLE DENIES CONTRAS TO TRAIN IN PANAMA

PA242312 Havana International Service in Spanish 2300 GMT 23 Aug 86

[Text] Panamanian President Eric Arturo Delvalle said in Panama City that his government will not permit its territory to be used to train Nicaraguan counterrevolutionaries.

With this, the Panamanian head of state refuted newspaper reports that the U.S. Southern Command would soon train Somozist mercenaries on the shores of the Panama Canal. Delvalle pointed out that Panama, a member of the Contadora Group, seeks a peaceful solution for the Central American conflict and that his country will not let its soil be used to train forces that attack other, friendly countries.

DOMINICA

CHARLES ACCUSES ALLEYNE OF PLOTTING AGAINST HER

FL251638 Bridgetown CANA in English 1628 GMT 25 Aug 86

[Text] Roseau, Aug 25, CANA -- Barbadian-born gun-runner Sydney Burnett Alleyne has said that some people are bent on overthrowing the Dominica government, Prime Minister Eugenia Charles said today. She made the charge while addressing the opening ceremony of the fourth Caribbean Youth Conference (CYC).

She said that Alleyne had telephoned the Dominica mission in London last week, saying: I want to inform you that in fact proceedings are continuing here to continue the coup that took place in 1980-81.

Miss Charles told the conference: One doesn't always believe Sydney Burnett Alleyne. He is not known too much for his truthfulness, but of course one does not dare ignore the statement.

In March 1981, ex-Prime Minister Patrick John and senior officers of the now disbanded Dominica Defence Force [DDF] were arrested after the government said it had discovered a plot to overthrow it.

One month later, two Canadian and eight American mercenaries led by Michael Perdue were intercepted in New Orleans by United States federal agents as they prepared for an armed expedition to Dominica.

And in December of that year, defence force members stormed the police headquarters killing one policeman and injuring several others in what the government described as a coup plot.

The government linked these incidents to a reported plan to re-install John as Prime Minister. Alleyne had close links with John when he was in office. He was jailed in 1975 in Martinique after he was intercepted by French authorities while apparently heading for Barbados with arms.

Miss Charles said that Alleyne told the Dominica mission he was married to a Dominican and therefore he was not prepared to take part in the carnage that would take place when these plans are carried out.

The Dominican prime minister said the self-declared international mercenary rang the next day and asked for a special favour for a friend of his. Whether that was just a stepping stone to the favour he was requesting, or whether there is in fact any truth in it, we don't know, she said.

Miss Charles, who is also responsible for security, declared: I've always held that the only way to withstand coups and these sort of problems is to open it wide and let the whole world know what you know and, therefore, the secrecy is taken away from the whole plan. Nine of ten mercenaries arrested in 1981 were jailed in the United States.

John and the former DDF's second in command are serving twelve year sentences for their part in the plot. One of the soldiers involved in the December attack, ex-Army Commander Frederick Newton was executed earlier this month, and the sentences of five other army men sentenced to hang along with Newton were commuted to life imprisonment.

Alleyne Denies Plans

FL260112 Bridgetown CANA in English 2147 GMT 26 Aug 86

[Text] Bridgetown, Barbados, Aug 25, CANA -- Barbadian-born gun-runner Sydney Burnett Alleyne today denied telling Dominica's envoy in Britain there was a movement afoot to overthrow the Roseau administration.

I never said there was a movement for the overthrow of her (Dominican Prime Minister Eugenia Charles) government, Alleyne said during a telephone call to CANA's Barbados headquarters. He added: Those governments in the Caribbean have absolutely nothing to fear as long as they pursue a policy consistent with the evolution and dignity of the people they represent.

Miss Charles, addressing a regional youth conference in Dominica today, said Alleyne had phoned the Dominica mission in London last week, saying proceedings are continuing here to continue the coup that took place in 1980-81.

Alleyne said Miss Charles was a despicable dictator, adding that he also had no intention of overthrowing the Barbados government. Alleyne said Charles was effectively courting the British government to have him watched.

There is no intention on my behalf to overthrow the present government of Barbados. Barbados is a democratically-elected government. But he said he would continue to lead the national liberation movement and its armed forces.

Nothing is wrong with selling arms if it makes me rich enough to maintain my de facto government, he said.

Alleyne had close links with former Dominica Prime Minister Patrick John when he was in office. He was jailed in 1975 in Martinique after being intercepted by French authorities while apparently heading for Barbados with arms.

John and a former second in command of the Dominica defence force are currently serving 12-year jail terms for their roles in a 1980-1981 coup attempt.

GRENADA

REPORT SHOWS TOURISM ON 'UPWARD MOTION'

FL251448 Bridgetown CANA in English 1646 GMT 24 Aug 86

[Text] St Georges, Aug 24, CANA -- Grenada earned about 32 million dollars (one EC dollar equals 37 U.S. cents) from the tourist trade during the first half of this year, according to a report from the Department of Tourism.

An estimated 28 million dollars came from stay-over visitors while the cruise ship sector contributed 4 million dollars.

The department said that the first six months of 1986 have proven from a numerical perspective that tourism in Grenada is continuing its upward motion and indications are that it is well on its way towards meeting all projections for the year.

The report said that 14,257 stay-over visitors travelled to Grenada during the first quarter of the year with member countries of the Caribbean Community (Caricom) accounting for the largest number.

There were 8,308 stay-over visitors from Caricom with Trinidad and Tobago accounting for 5,591, while outside of Caricom the United States made a major contribution with stay-over visitors.

Tourism is Grenada's leading foreign exchange earner.

The report also said that there was a 55 per cent increase in cruise ship calls for the first quarter of the year when compared with the corresponding period last year.

Some 24,174 passengers arrived on the island during 85 cruise ship calls in the 1985 period compared to 38,937 this year, it added.

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SELA COUNTRIES BACK PERU ON ELIGIBILITY ISSUE

PA240330 Madrid EFE in Spanish 0156 GMT 23 Aug 86

[Text] Caracas, 22 Aug (EFE) -- The representatives of the 25 SELA member-countries released a communique today identifying themselves with Peru and "urging" the IMF to revise its position.

The communique states: "In view of the IMF's 'ineligibility' statement that prevents Peru from obtaining new IMF credits, the delegations of the SELA member-states hereby voice their solidarity with Peru."

These delegations are in Caracas participating in the preparatory meeting for the 12th SELA Latin American council, to be held in Lima on 16 and 17 October.

In the note it is recalled that the ministers of the Group of 24 of International Monetary Fund in the context of their 33d meeting in Buenos Aires, advocated greater support for countries whose situation is similar to Peru's.

The communique included point 11 of the statement by the group of 24 that says: "We hope that the IMF and other multilateral agencies will devise new mechanisms to aid those countries which cannot pay their term obligations to these agencies due to unfavorable foreign factors."

The SELA delegates also pointed out: "The IMF's decision seriously harms a SELA member-state, which has been making every possible effort to pay its financial obligations in accordance with its true ability to pay and considering a very unfavorable international climate."

For this reason, SELA urges the IMF to revise its decision "so that Peru can continue to be eligible for further credits and can be accorded the proper treatment taking into consideration the social and economic requirements of the Peruvian people."

CGT BLAMES GOVERNMENT FOR ECONOMIC ILLS

PY270115 Buenos Aires BUENOS AIRES HERALD in English 26 Aug 86 p 11

[Text] (NA-DYN) The general Labour Confederation (CGT) made the government responsible for the "worsening of the social situation" in a statement released yesterday, which referred to the "absence of concrete measures to update the wage-earner's level of income."

The labour organization criticized the "parsimonious attitude" of the economic team, adding, in reference to recent Banco Central leadership changes, that "power struggles at the top" aggravate the situation.

The CGT document warned that social unrest would not be spurred by the "intransigence" of labour organizations but by the "inexplicable laxity" of the government, in obvious reference to possible protest measures.

The grouping also warned it would be wrong to interpret the end of labour hostilities as a sign of "weakness or acquiescence of the working people."

Greek labour expert Nikolai Valticos, invited by the government to participate in the normalization of the CGT, arrived yesterday. The former sub-director of the International Labour Organization warned the normalization would not be likely to prevent future labour unrest, but also voiced hope that an agreement between the conflicting parties would be reached.

Meanwhile, the textile workers' union (AOT) yesterday declared a "state of alert" and announced it will implement a "struggle plan" to prevent wage agreements from being weakened by inflation.

The CGT's Neuquen Branch yesterday requested the dismissal of labour ministry provincial delegate Ruben Ferreira due to the "irregular operation" of his office. The request to Labour Minister Hugo Barrionuevo also called for the firing of accounting aid Ana Maria Drisaldi de Mitjavila for "ideological persecution."

In other news, private bank workers will stage four-hour work stoppages as from today in order to press for new sector wage accords.

Finally, municipal workers will hold a 24-hour strike on September 5 to demand higher wages unless the dispute is settled beforehand.

BRIEFS

COCAINE SEIZED, TRAFFICKERS ARRESTED -- The Buenos Aires province police this morning reported that 7 kg of cocaine was seized in the town of La Tablada in Buenos Aires Province. Bolivian citizens Nestor Rafael Sandoval, Elias (Excelis), Jorge Villarroel Curena, Zenon Villarroel Curena, and Argentine citizens Ricardo Felix Sanchez and Alberto Sanmartino were arrested. [Summary] [Buenos Aires Domestic Service in Spanish 1600 GMT 22 Aug 86 PY]

BOLIVIAN COCAINE TRAFFICKER ARRESTED -- Salta, 14 Aug (AFP) -- Gendarmeria (Border Military Police) personnel have detained at Salta's El Aybal Airport a Bolivian woman who was trying to smuggle 2 kg of cocaine into Argentina. She had arrived on an Aerolineas Argentinas plane from Santa Cruz, Bolivia. [Summary] [Paris AFP in Spanish 2332 GMT 14 Aug 86 PY]

PRESIDENT REMOVES FORCES TO LET MARCHERS PROCEED

PY262235 La Paz La Red Panamericana in Spanish 2200 GMT 26 Aug 86

[Text] The government has ordered the Armed Forces to withdraw and not prevent the mineworkers' march to La Paz. The government has likewise decided to accept the Catholic Church proposal to establish a dialogue with the mineworkers.

Planning Minister Gonzalo Sanchez de Lozada has been appointed to meet with Church authorities to organize a meeting with mineworker representatives at the Mining Ministry under church sponsorship.

Information Minister Herman Antelo reported to the media in recent hours that the president had ordered the withdrawal of the troops stationed in Patacamaya, and that the police watch over the mineworkers march be lifted. Antelo said the government is concerned about the marchers' situation. He reiterated the Executive Branch's will to establish a dialogue and to remove agitators from the scene. He said that the president ordered the withdrawal of military and police control over the miners' march.

Mines Closed Despite Strike

PY261750 Madrid EFE in Spanish 1503 GMT 26 Aug 86

[Text] La Paz, 26 Aug (EFE) -- The Bolivian Government has approved its mining-metallurgy policy and has decreed the closure of the San Jose, Huanuni, Bolivar, Unificada and Tasna mines as part of the Bolivian Mining Corporation (Comibol) restructuring plan. The decree was approved last night in spite of the fact that thousands of workers are marching on La Paz and that two departments are paralyzed as a result of strikes being held to protest against these measures.

The Cabinet, which yesterday held a 20-hour meeting, approved the decentralization of Comibol and the closure of several companies. It is against these decisions the residents and miners of the Oruro and Potosi Departments have adopted measures of force. The government decision comes as 8,000 workers, among them over 5,500 miners, are marching from Oruro, 230 km south of La Paz, with women and children, to protest against the government's mining-metallurgy policy.

According to union leaders, the demonstrators decided to march on La Paz to reject the government plan that will leave them without jobs and will make the areas into ghost regions. The march "for life" will arrive today at Patacamaya, 126 km South of La Paz, where the peasants and miners will sign a defense and solidarity act.

The 2d Army Division, based in Oruro, has deployed troops along the highway that links Patacamaya with La Paz while troops in La Paz have been deployed up to Patacamaya. Army Tanks and military troops from the Patacamaya Regiment have been blockading the highway for the past two days.

Miners Blamed for Derailment

PY270335 La Paz La Red Panamericana in Spanish 0000 GMT 27 Aug 86

[Text] Transport and Communications Minister Andres Petricevic has said that the miners march is not peaceful. He based his harsh comment on reports he received from the National Railway Enterprise. The minister said that the miners who are marching toward La Paz have derailed a railroad convoy.

[Begin Petricevic recording] I would like to report an unpleasant incident caused by the people participating in the March for Peace and Life [words indistinct] derailing a train of the National Railway Enterprise at Km 791 between Oruro and Potosi. [end recording]

Andres Petricevic told Radio Panamericana that he believes that the miners' march toward La Paz cannot be considered peaceful.

BRIEFS

NEW CULTURE INSTITUTE DIRECTOR -- The education minister this morning installed Architect Teresa de Gilbert de Mesa as new director of the Bolivian Culture Institute. [Summary] [La Paz La Red Panamericana in Spanish 1700 GMT 15 Aug 86 PY]

NEW AIRLINE PRESIDENT -- The government has appointed Jaime Nino de Guzman as the new president of Lloyd Aereo Boliviano. [Summary] [La Paz La Red Panamericana in Spanish 1700 GMT 18 Aug 86 PY]

CAF GRANTS LOAN -- The Andean Development Corporation, CAF, has granted Bolivia two loans totalling $17,023,000. The first loan of $15,975,000 is to maintain services on the roads in southern Bolivia and the remainder is to be used to study the San Buenaventura-Cobija road. [Summary] [La Paz EL DIARIO in Spanish 5 Aug 86 P 1 PY]

JAPAN DONATES $5 MILLION -- The Japanese Government has granted Bolivia a nonreimbursable contribution of 805 million yen, equivalent to $5 million. This money will be invested in a fish-breeding project near Lake Titicaca. The notes have been signed by Foreign Minister Guillermo Bedregal and Japanese Ambassador to Bolivia (Takayusi Ito). [Text] [La Paz La Red Panamericana in Spanish 0000 GMT 22 Aug 86 PY]

TAX COLLECTION UNDER SECRETARIAT -- The Tax Collection Under Secretariat of the Finance Ministry has been created in order to implement the measures established by the Tax Reform Law. Under Secretary Fernando Moscoso was installed yesterday. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 12 August 86 PY]

NEW PROVINCE CREATED -- The Jose Manuel Pando Province has been created in La Paz department. The new province is located north of Pacajes near the Chilean-Peruvian border and is divided into two municipal sections and seven cantons. Santiago de Machaca is now the capital of Jose Manuel Pando Province. [Summary] [La Paz EL DIARIO in Spanish 27 Jul 86 p 5 PY]

FOREIGN MINISTER COMMENTS ON SARNEY'S U.S. VISIT

PY261719 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Aug 86 p 29

[Excerpt] Foreign Minister Abreu Sodre yesterday admitted that "this is the hardest stage" of the negotiations between Brazil and the United States on the informatics sector. Minister Sodre warned, however, that "Brazil has a law which will be respected and not modified."

The foreign minister said that all negotiations have easy and difficult moments, and that this is "the difficult stage." Sodre said that he is optimistic about the meeting between Presidents Jose Sarney and Ronald Reagan and believes that "negotiations bring about solutions." Therefore, he expects good results for both countries.

According to the minister, "It must be understood that there is more to the relations between Brazil and the United States than just the informatics question." He believes that there are dozens of other matters on which to agree in terms that fully favor both nations.

In Abreu Sodre's opinion, President Sarney's visit to the United States is the opportunity for a democratic dialogue. He believes that when two presidents meet they will seek feasible solutions, "because it is impossible for two presidents to hold talks without reaching a good understanding." [passage omitted]

FINANCE MINISTER INTERVIEWED ON ECONOMY, DEBT

PY262307 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Aug 86 p 56

["Text" of interview granted by Finance Minister Dilson Furaro to O ESTADO reporters Pedro Cafardo and Jocimar Nastari; date and place not given]

[Excerpts] O ESTADO: Sir, you are completing 1 year as finance minister. How do you evaluate your own work? Any self-criticism?

Funaro: I am completing 1 year in the ministry, and the Cruzado Plan is completing 6 months. The latter is important because the plan has changed our country's life. The 6 months preceeding the Cruzado Plan served to confirm the criticism that had been leveled at some aspects of the country's economic policy for years before I joined the government. The first 6 months showed that the economic policy had to take a different path. Inflation was handled through total indexation, and the ministers simply tried to coexist with inflation, causing serious social disturbances, despair, and misunderstanding.

I gathered from meetings I held abroad that nobody was taking Brazil seriously. With an inflation of more than 200 percent, it was difficult to convince anyone that the country could survive no matter how much one talked about indexation as a means to coexist with inflation.

But almost all the economists and men with government experience here and abroad believe that the Brazilian people had to go through some 2 years of recession so that inflation could be brought down from 200-250 percent to 100-50 percent. Everyone with whom I talked abroad told me the same thing. Only a relatively small group of economists believed that deindexation was needed. Many contended that the deindexation had to be made gradually; few believed that it could be made in a single stroke. With Planning Minister Joao Sayad and a small group of well-known economists we started to study the deindexation of the Brazilian economy at a single stroke.

We knew that the financial system, even if the plan were not implemented, could not hold up. There was the problem of the three banks: Comind, Auxiliar, and Maisonnave. It was then necessary to complete their liquidation 3 months before the Cruzado Plan was launched. Moreover, it was necessary to prepare buffer stocks of foodstuffs, to create the National Treasury Secretariat, and to eliminate the so-called movement account between the Treasury and the Bank of Brazil [a Treasury account at the Central Bank that was managed by the Bank of Brazil as the government's financial agent, with statutory authority to print money for that account, if deemed necessary]. In sum, it was necessary to pave the way for the Cruzado Plan with absolutely indispensable measures.

I took over the Finance Ministry late in August, with a 14-percent monthly inflation rate. It was necessary to work hard in order to establish the government's cash flow. Up until the day I took over the Finance Ministry, it was done this way: Accounts for each 1-month period were closed before verifying what had happened. The movement account represented a connection of accounts between the Treasury and the Bank of Brazil over which no one had control. It was not possible to have any control as long as the movement account remained open. With the creation of the National Treasury Secretariat, we began on 1 January to have monthly cash flow of payments on a day-to-day basis and a projection for the following 6 months. We thus learned exactly what the government needed in order to act properly in the financial system.

All these adjustments, including the adjustment of the foodstuff buffer stocks, were indispensable before the Cruzado Plan was implemented on 28 February.

O ESTADO: Do you have any self-criticism to make?

Funaro: I believe that we did quite well. To say that we could have corrected this or that before launching the Cruzado Plan is easy today, but we were going through difficult times. For instance, we could have readjusted the price of gasoline before. And we went so far as to announce that readjustment in the morning, but retreated in the afternoon. The problem was that people were getting acquainted with a new currency, and they were closing stores that overcharged. We did not have a crystal ball that would allow us to reduce some problems in the retail sector.

O ESTADO: The government has promoted an increase of interest rates. Isn't this a change of position?

Funaro: No. In some of our comments, we thought that interest rates should be positive in order to reward investments. At some time, this could have given the impression that some interest rates would be subsidized -- mainly because of the discussion of the inflation index. This impression caused great damage to the stability of the financial market. But an increase of interest rates does not mean that the rates have to be very high. [paragraph continues]

Without monetary correction, interest rates are determined partly by inflationary expectations and partly by real market interest rates. This is why some investors are talking of high inflation in order to justify high interest rates. But we expect a low inflation rate.

O ESTADO: Do you believe that progress has been made in the administration of the foreign debt? The problem still seems to be quite serious.

Funaro: The first problem was to stop the growth of the debt. When I took office, the internal debt was growing at a rate of 85 percent in real terms over 12 months. In July of this year, it was growing at just 7 percent. This means that we have slowed down the speed of internal-debt growth, which is indispensable to begin controling the nation's economy. [Passage omitted]

O ESTADO: Isn't the explosion of consumption a sign that the growth of the economy is running ahead of the Cruzado Plan projections.?

Funaro: We were expecting important growth. We knew very well that with the equal treatment given to wages and prices -- prices used to go up every day or every month while wages went up every 3 or 6 months -- the workers' purchasing power would increase considerably. We were fully aware that the increase in demand would be large. But we were expecting the demand to stabilize at a higher level, as is happening now.

The possibility of consuming more was important for some people. An example: The pharmaceutical industry is delivering 35 percent more medicine this year. A survey made by the laboratories shows that people used to come to drug stores with a prescription for two or three medicines and took only one, the least expensive. This means that the standard of living of the population has improved.

Food consumption has increased by 12-15 percent. Car sales, although cars are not an essential product, increased by 35 percent. Industry is manufacturing 52 percent more this year than last year, even considering the 2-month strike in 1985. Comparing the working months this year with those of last year, production is 35 percent higher than it was then. Still, demand cannot be met.

O ESTADO: To meet present demand, new investments are necessary. But some economists claim that the resources of the FND [National Development Fund] cannot guarantee the investments needed for the country to continue to grow at 7 percent a year.

Funaro: That's correct. The FND cannot finance the 7-percent growth -- it can only finance about 2 percent. The reduction of interest rates and spreads on our foreign debt, which we hope to obtain through negotiations, should contribute with 1.5 percent. In addition, resources from productive and profitable state-run companies should provide investments on the order of 2 to 2.5 percent of GDP. Adding these up, we would have a 5.5 to 6 percent growth, which is the minimum that can be achieved in terms of expansion of the public sector to maintain some infrastructure programs, such as the energy program. This year in fact, public sector investments should represent 4.2 percent of GDP. Of this, 2 percent is being financed with the FND and the remaining 2.2. percent with savings resulting from reductions in the servicing of our foreign debt. [Passage omitted]

O ESTADO: Are you convinced that we will reach an agreement with our foreign creditors on 5 September?

Funaro: Surely we will reach an agreement by 5 September. To reach that agreement is not just in Brazil's interest, it is also in the interest of the creditors, because the agreement will guarantee that Brazil will honor its foreign debt commitments with a spread lower than in previous years. After this agreement we will have to renegotiate the entire foreign debt package.

O ESTADO: Will that renegotiation begin in September?

Funaro: This is a ritual. First, we had to negotiate debts due in 1985 and 1986, because the deadline for their renegotiation was about to expire and we could not be left with Project 4 [interbank credits from foreign banks to Brazilian banks operating abroad] uncovered. There was an understanding with the Paris Club that we continue paying in installments. Now we have to renegotiate the entire foreign debt so that we will not have to negotiate every 6 months.

O ESTADO: Can you clarify your comment that Brazil will only send abroad 2.5 percent of its GDP? Is this a final position?

Funaro: We said in Buenos Aires that with international interest rates falling, Brazil's climbing GDP, and the reduction of the spread, we would be in a position to transfer abroad 2 to 2.5 percent of our GDP without impeding Brazil's development. This is an important precondition for not falling back into a recession and for bankers to have the assurance that the country with which they are negotiating will not have a crisis, like that of Mexico, for instance.

O ESTADO: Are foreign bankers inclined to strike a multiyear agreement with Brazil?

Funaro: We believe that the possibility exists. We have to discuss and negotiate. The Paris Club made some demands that we finally accepted. We started to pay and everyone is receiving payments. We will make an agreement under the same conditions as we did with the Paris Club. We believe that no demand can be made other than under Article 4 of the IMF charter. Under that article, the IMF can send a mission to the country, as it does to France or the Netherlands, to verify figures and make a report. [passage omitted]

O ESTADO: Until recently there were prospects of again receiving money through cofinancing with the World Bank. However, it seems that process has stalled.

Funaro: The bankers are always saying that the market is about to open for Brazil. They say so at every speech or luncheon I attend. But I prefer to wait and see when that will happen. [passage omitted]

O ESTADO: Will the administrative reform bring about great savings for the government?

Funaro: It will not save a great deal. There must be administrative reform because it is important to modernize the machinery of the state. It is important to modernize so that what happened in Sao Paulo does not happen again. We had to replace the SUNAB [National Supplies Superintendance] delegate in Sao Paulo, because there were so many complaints there that telephones had been disconnected. The government exists to serve the people and it has to perform its functions. [passage omitted]

SHIP INVOLVED IN ARMS SMUGGLING CAPTURED

PY270324 Santiago EL MERCURIO in Spanish 20 Aug 86 p C1

[Text] Security personnel have confirmed that a second fishing boat, which reportedly participated in smuggling arms to Chilean subversives, was seized yesterday. This action took place off Caldera in the 3d Region.

It was reported that the fishing boat -- the Chopalgue -- has characteristics similar to those of the fishing boat Astrid Sue which was captured a few days ago.

The reports state that one person was arrested during the action. The Chopalgue reportedly participated in an arms-trafficking operation on 14 July 1986, when it unloaded 30 tons of arms and explosives from Soviet ships, transporting them ashore to a site called Carrizal Bajo.

In addition, it was stated that the war materiel was consigned to the so-called Manuel Rodriguez Patriotic Front, an extremist organization which established its clandestine operation base in Corral Bay, in the 3d region in Atacama.

Security personnel reported that this second fishing boat was captured thanks to information provided by the terrorists arrested during the first action. They gave details about the ship -- which is equipped with sophisticated communications equipment -- and about its crew.

CAUCE PRESIDENT ARRESTED; 6 OTHERS SOUGHT

PY262149 Santiago Domestic Service in Spanish 1700 GMT 26 Aug 86

[Text] Three reporters of CAUCE magazine have been arrested for offending the Armed Forces and six more are wanted by military justice. The magazine's headquarters has also been raided.

The following people will be handed over to the military court in the next few hours: CAUCE President Jorge Ovalle, legal representative Gonzalo Figueroa, and reporter Claudia Lanzarotti. They have been charged with offending the Armed Forces in an article published in the latest issue of CAUCE. The article -- entitled "The Doubt About the Arsenal or the Doubtful Arsenal" -- evoked a reaction from the National Intelligence Center, which filed charges against CAUCE.

The three reporters are being held at the headquarters of the investigative police and are waiting to be sent before a military prosecutor, probably Major Lorenzo Andrade. At the same time, the investigative police received warrants for the arrest of six more CAUCE reporters identified as Juan Jose Faundez, Marcia Pineda, Manuel Poblete who wrote the article, Javier Mardones, Osvaldo Muray, and Eugenio Gonzalez. It has been learned in court circles that the six reporters will voluntarily come to court this afternoon.

In the meantime, in compliance with orders given by the military court in relation to the offense committed against the Armed Forces, the police raided the offices of CAUCE located at 454 Monjitas Street, Office 607. The raid was conducted around 1130 by special investigative police personnel. According to reports from the investigative police, the raid was conducted without problems, and the detectives only seized press material which will be handed over to the military court.

Regarding the finding of the arms cache in the north and central area of the country, 14 people have been handed over to the 2d Military Court in Santiago. These 14 people have already been questioned by prosecutor Andrade, who has begun the interrogation regarding their participation in setting up the arsenals in Carrizal Bajo. It has been learned that a total of 22 people have been arrested in this case. The remaining eight will be taken before the prosecutor after the current interrogation ends. The arsenals were discovered in several raids in the third region and in Santiago and its outskirts. About 60 tons of arms, ammunition and explosives were seized.

Dinacos on CAUCE Arrests

PY262223 Santiago Domestic Service in Spanish 1700 GMT 26 Aug 86

[Text] The National Social Communications Directorate [Dinacos] has released a declaration regarding CAUCE magazine's questioning of the origin of the arsenal found in the north. We have a report on this declaration from Rosa Sanchez:

[Begin relay] The Dinacos declaration says: CAUCE published in its issue of 25-31 August 1986 an article entitled "The Doubts About the Arsenal or the Doubtful Arsenal" by Ariel Poblete. The article says that last February witnesses say unusual military helicopter operations around Carrizal Bajo.

In the face of such distorted information regarding the arms cache found in the 3d Region and the Santiago metropolitan area by the National Intelligence Center, Armed Forces, and police personnel, Dinacos reports that during February 1986 -- on a date and hour which do not coincide with the ones given in the CAUCE article -- operations were conducted using Puma and Lama Army helicopters to supply the northern network of the Army Radio Station with natural gas.

According to the communique, to carry out this supply operation, 300-gallon bottles of gas, similar to the ones used in highrise buildings, were used. They were first transported by trucks on the Panamericana Norte highway, where they were picked up by the helicopters and taken to the radio station located on the mountain.

In conclusion, the communique says the Dinacos regrets that freedom of information and opinion was exercised to provide distorted information to the people about the seriousness of the origin, existence, and final destination of the military arsenal found this month.

This is the declaration released by Dinacos a few minutes ago in La Moneda Palace. [end relay]

Groups Support CAUCE

PY270234 Santiago Radio Chilena in Spanish 2300 GMT 26 Aug 86

[Excerpts] The Executive Committee of the Democratic Alliance [AD] today released the following declaration:

Regarding the arrest of CAUCE President Jorge Ovalle Quiroz, the magazine's director Gonzalo Figueroa, and several journalists, the AD Executive Committee categorically rejects this new action against this opposition magazine, and expresses its solidarity and support for those professionals whose public merits are well known.

The declaration says that the warrant for the arrest is reportedly related to the arsenals discovered in the northern and central parts of the country. The arrests indicate that articles published by CAUCE regarding the arsenals did not please the government. [passage omitted]

The National Council of the Chilean Journalists Association has strongly condemned the arrest of the directors and reporters of CAUCE magazine. In a declaration the association indicated the arrests are a new and violent attack on freedom of expression and of the press in Chile. The communique was released by the council's secretary general, Guillermo Torres. He said:

[Begin recording] The Chilean Journalists Association rejects this attack and expresses its solidarity with those arrested, especially with our colleague Claudia Lanzarotti and with the other journalists affected by the charges filed by the National Intelligence Center. The case is now under the jurisdiction of the 2d Military Court. The association also expresses its solidarity with CAUCE President Jorge Ovalle and Gonzalo Figueroa, the magazine's director and legal representative. We reject the efforts by the interior minister to manage the media during the difficult times the country is experiencing by trying to prevent Chileans from learning what is really occurring in the country. [end relay] [passage omitted]

Ricardo Nunez, the secretary general of the Chilean Socialist Party, sent a note to CAUCE Director Gonzalo Figueroa to express his solidarity with CAUCE personnel in the name of his organization. The Socialist Party reiterates its strong protest over the new attack on freedom of information and conveys to CAUCE personnel its total support.

NATIONAL ACCORD MEETS ARCHBISHOP, COMMENTS

PY260348 Santiago Radio Chilena in Spanish 2300 GMT 25 Aug 86

[Text] The signatories of the National Accord for the Transition to Full Democracy today met with Santiago Archbishop, Msgr Juan Francisco Fresno for more than 1 hour, and this afternoon the leaders of the National Accord issued a statement.

Among other things, the National Accord communique states: A year ago we signed the National Accord for the Transition to Full Democracy. This was done in response to a call for reconciliation of his eminence, Santiago Archbishop Msgr Juan Francisco Fresno. When we signed this accord, we undertook the commitment to achieve a peaceful solution for the country so that it could attain full democracy, and we promised to respect certain institutional, economic, and social principles capable of assuring an orderly future.

The communique adds: A broad consensus is necessary to overcome the crisis, and this consensus will not be achieved unless the nation can have free and direct elections to choose its authorities, meaning the president of the nation; a national congress with legislative, constituent, and overseeing powers; and municipal governments.

Further on, the communique of the National Accord released this afternoon says: In the quest for these objectives, we reiterate our willingness to comply with the terms of the accord and we reaffirm the need for the urgent implementation of the measures it proposes. We want to avoid confrontation and move forward toward democracy. However, in order to be able to do this, in keeping with the wishes of the majority of Chileans, exceptional laws must be abrogated, public freedom must be reestablished along with the autonomy of the universities, the government must promise not to implement the transitory Article 24 of the Constitution, there must be no more exiles, the political recess must be discontinued, and unimpeachable lists of voters must be drawn up.

CDT: Unity Around Accord

PY270124 Santiago Radio Chilena in Spanish 1700 GMT 26 Aug 86

[Excerpt] The Democratic Central Organization of Workers, CDT, has made a fervent call to all the signatory parties of the National Accord to sacrifice their natural sectorial interests and to work to make the document a real and effective government choice when the military regime ends. This statement is part of a public statement read by CDT President Eduardo Rios reiterating total CDT support for the National Accord for the Transition to Full Democracy.

[Begin Rios recording] The CDT recognizes Cardinal Juan Francisco Fresno for his permanent call for the reconciliation of all Chileans. Fresno's call has allowed this important document, signed by important political parties, to remain valid and very important during the difficult times the country is facing as a result of the growing political polarization and imminent civil war, which are due to the government's stubborness and wrong actions by the extreme left.

The CDT issues a fervent call for the signatory parties of the National Accord to sacrifice their natural sectorial interests and to support the aspirations of the social classes to reach an agreement so the National Accord can become an effective government choice for the Post-Pinochet period. [end relay] [passage omitted]

JACQUET ON PLRA LEADER COMMENTS, U.S. AMBASSADOR

PY250105 Asuncion EL DIARIO in Spanish 22 Aug 86 p 10

[Text] Justice and Labor Minister Eugenio Jacquet was asked yesterday why the courts did not worry about comments made by Carlos Romero [Pereira] Arza during a political meeting at the Metropolitan Seminary but demanded the arrest of Miguel Abdon Saguier, a leader of the Authentic Radical Liberal Party [PLRA], for statements he made. Abdon Saguier's arrest has been requested by Attorney General Clotildo Jimenez Benitez. Jacquet answered: "Do not be in such a hurry, the law must treat everyone equally, and the time will come for those who are up to the same tricks, those who are being guided and instructed to oust a legally constituted government."

As for the attorney general's request for the arrest of Saguier on charges of sedition, the minister said that Saguier has a record and that several other politicians have been tried and sentenced for the same charges, "that is, for inciting the people to take up arms. We must realize this attitude does not help preserve democracy. We must improve democracy through the civic education of the citizens. We must prepare the people to be protagonists of democracy."

Jacquet added that "to incite the people to take up arms and rebel against legally constituted authorities is not the proper way to educate them. If the government were illegal or unconstitutional such a method might be appropriate. However, our authorities have been elected by the people. Therefore, one cannot induce or urge the people to rebel against the authorities and overthrow them. This would be a rebellion. This is what we intend to fight, but we will do so within the framework of the law."

Jacquet continued: "If we shared the opinions of this politician, we would also take up arms and use them to fight him. However, being cultured, civilized and democratic people, the Paraguayans will not use this system."

Minister Jacquet was also asked to comment on remarks that U.S. Ambassador Taylor made during a program entitled "Youths for Peace," because these remarks were quite similar to those made by Miguel Abdon Saguier. Jacquet said that circumstances were not the same, "furthermore Ambassador Taylor's remarks in Coronel Oviedo were not referring directly to our government, while Saguier talked directly against a known and established government, legitimately voted for by the people."

Jacquet also said that: "Any U.S. diplomatic representative, or for that matter, any Western, democratic and Christian diplomat can suggest those means as a valid option for the restoration of democracy," he emphasized. "One presupposes that the main targets of the United States in this struggle are the communist, totalitarian and antidemocratic countries."

He added: "We must also bear in mind that the United States encourages armed rebellion to overthrow antidemocratic governments, the way it is doing now in Nicaragua. Thus, we can conclude that the words of the main speaker at that program had nothing to do with our politics or our status quo," Minister Jacquet concluded by saying.

MINISTERS REPORTEDLY SEEK FINANCING IN BRAZIL

PY252206 Paris AFP in Spanish 1855 GMT 24 Aug 86

[Text] Lima, 24 Aug (AFP) -- Manuel Romero, Peruvian minister for industry, commerce, tourism and integration, and Gustavo Saberbein, deputy economy minister, today left for Brazil on a key official mission whose objectives have not been revealed, according to official sources.

However, leaks indicate that in Brazil the high-ranking Peruvian delegation will pursue the economic negotiations begun by President Garcia's administration to obtain Brazilian financing for several development projects.

A government spokesman commented that although Minister Romero's trip was planned, Saberbein's departure appears to be almost unexpected and urgent. The reasons for this are unknown.

Meanwhile, Jose Caceres, deputy minister of the Presidency, today announced that even though the IMF has declared Peru ineligible for further loans, the Banco do Brasil has confirmed its willingness to continue negotiating the loan that Peru has requested for the second phase of the Tinajones hydroelectric projects in northern Peru.

Caceres recalled that 35 days ago, the Brazilian bank and Peru signed a letter of intent by which the former would provide 100 percent of the funds needed for the project. Under the agreement, Peru will be able to repay the loan in traditional and nontraditional export goods.

IDB, CAF Loans, Credits Granted

PY221504 Lima Television Peruana in Spanish 0100 GMT 22 Aug 86

[Excerpts] Prime Minister Luis Alva Castro this afternoon presided over a ceremony during which the World Bank, the IDB, and the Peruvian Mining Bank signed a $27.5-million loan contract. [passage omitted]

In turn, according to information released by the CAF [Andean Development Corporation] -- which is headquartered in Caracas -- Peru has been granted CAF credits for $78 million out of the total of almost $115 million the CAF has lent so far this year. This means that Peru has contracted 66 percent of the loans granted by the CAF in 1986. As of August, Peru has received credits for $40 million for development projects and a $38-million loan for financing nontraditional exports.

APRA REJECTS DIALOGUE WITH SHINING PATH

PY262046 Paris AFP in Spanish 0418 GMT 26 Aug 86

[Text] Lima, 25 Aug (AFP) -- Armando Villanueva, secretary general of the American Popular Revolutionary Alliance [APRA] has ruled out the possibility of a dialogue between Alan Garcia's government and the Maoist guerrilla Shining Path as a way to end subversion in Peru.

My party does not maintain any dialogue with the Shining Path, Villanueva said. He added that under the present conditions it is impossible to talk with those who have chosen to kill Peruvians. Villanueva, who is also president of the Senate, said dialogue is founded on good will, which the subversives have not shown, persisting as they do with armed struggle and subversion. Villanueva said that the guerrillas are Peruvians on the wrong track and added APRA maintains the hope that the Shining Path will give up its attitude and stop subverting order and killing people.

In the past, Villanueva was convinced that dialogue was the way to appease the country, and he made continuous calls to the Shining Path leaders. But the Shining Path has never accepted the possibility of dialogue with the government, neither the one of former President Fernando Belaunde nor the present one of Alan Garcia. One of the Shining Path's main targets is the offices of the party in government, as an indication of its rejection of dialogue.

PUNO GROUP CONDEMNS ESCALATING VIOLENCE

PY270145 Madrid EFE in Spanish 1649 GMT 26 Aug 86

[Text] Lima, 26 Aug (EFE) -- The Catholic Church of Peru and the "Human Rights Commission" of Puno Department today released a document stating that this department could become "a new Ayacucho" due to the escalation of violence in the area. Puno is a department that borders Bolivia, where "Shining Path" activity is becoming more intense. This action is being opposed with repression, which causes more fear than the subversive action itself, according to Msgr Luciano Metzinger of the Peruvian Episcopal Conference "Social Action Commission."

After a few days of study in Puno -- under the theme "The People of Puno Want Peace" -- a document was signed by Bishops Augusto Beuzeville, Luciano Metzinger, and Jesus Barrueto, and by Father Gustavo Gutierrez, a Liberation Theology theoretician, and Martha Giraldo, president of the Puno "Human Rights Commission." The document states that the process of violence in Puno affects the institutions and the people of the department, with the emergence of paramilitary groups whose targets -- according to the document -- include the Catholic Church in the department.

The document adds that Puno is facing problems such as the negative action of nature, the historically bad distribution of the land, and the Shining Path's "senseless violence" to which the state responds with repressive violence "which does not differentiate the guilty from the innocent." The document adds that to this situation "is added the outrageous violence by alleged paramilitary groups." The document harshly criticizes the Puno authorities, pointing out "the discriminatory action of the courts, the often illegal and dominant action by the police, and the despotic and arbitrary activity of the local authorities."

The document concludes by saying that all this "can turn Puno into another Ayacucho," the department where the Shining Path began its violent actions 6 years ago, actions which have not ceased and which have led to a situation of continuous violence. This violence, according to ruling American Popular Revolutionary Alliance Deputy Alberto Valencia, of Ayacucho Department, is not committed solely by the Shining Path because there are groups that commit crimes and then attribute them to the Shining Path.

AMBASSADOR TO UN ON DE LA MADRID'S VISIT

FL262250 Mexico City NOTIMEX in Spanish 2120 GMT 26 Aug 86

[Text] 26 Aug (NOTIMEX) -- Ambassador to the United Nations Mario Moya Palencia has said there is a favorable environment in the United Nations regarding President De la Madrid's participation in the General Assembly meeting.

Interviewed after meeting with De la Madrid in the presidential residence, Moya Palencia said that the president's visit to the United Nations will provide an opportunity to ratify Mexico's foreign policy, which is based on the principles of nonintervention, self-determination of the peoples, and the struggle for disarmament.

The ambassador said De la Madrid's presence at the world forum is of great importance, since he can also underscore our efforts to achieve peace in Central America through a negotiated solution.

BRIEFS

DRUG DESTRUCTION, ARRESTS -- Federal Judicial Police located and destroyed 4 million marijuana plants. The drug was planted on 80 hectares at Las Juntas, Durazno, Temores municipality, Chihuahua. Judicial police detained eight alleged drug traffickers who were placed in the hands of the authorities. [Excerpt] [Mexico City XEW Television Network in Spanish GMT 16 Aug 86 PA]

MARIJUANA PLANTS DISCOVERED -- Monterrey, Nuevo Leon, 14 Aug -- Agents of the Federal Judicial Police and the Army have discovered more than 90,000 marijuana plants in Vallecillos Municipality, Nuevo Leon, with an estimated value of 450 million pesos. The plants were found in the La Colorada Farm, owned by Manuel de Los Santos Rodriguez, who was arrested. In the past 15 days more than 200,000 marijuana plants have been destroyed. Police agents also discovered 4 hectares of marijuana plants in Bacobampo, Etchojoa Municipality, Sonora. Twelve peasants, including 13 minors, were detained. [Summary] [Mexico City EXCELSIOR in Spanish 15 Aug 86 PA]

CLANDESTINE HEROIN LAB -- The Attorney General's Office has discovered a clandestine laboratory used to process a large amount of heroin. The laboratory was found in Cuautla, Morelos, only 45 minutes from Mexico City. The drug was being sent to the United States in concealed containers. The Federal Judicial Police arrested presumed group leader Manuel Santana Ruiz at the installations. Santos Sarabia Jimenez, Hermilo Alvarado Sanchez, Angel Zavaleta Jimenez, Juan Reyes Jimenez, and Nieves Corona were also arrested. [Summary] [Mexico City EXCELSIOR in Spanish 15 Aug 86 pp 5A 29 AA PA]

ECONOMIC MINISTERS APPROVE IMPORT BOND SYSTEM

PA251549 Managua BARRICADA in Spanish 21 Aug 86 p 5

[Text] The Central American Import Bond System [Derecho de Importacion Centroamericano] (DICA) was approved yesterday by ministers in charge of the economic integration of the area as a complementary mechanism to clearing houses and barter.

By means of the DICA, the Central American countries will be able to conduct commercial transactions through documents issued by central banks in local currencies that will be negotiable in third countries within the area.

The documents, which will be good for a period of 1 or 2 years, can be issued for an amount of up to 100 percent of the value of an import.

In order for this new system to go into effect on 1 October, the ministers asked the Central American Monetary Council to issue the rules of operation as well as to conduct a study of the necessary measures that must be adopted to reconcile the exchange rules that prevail in each country.

The ministers agreed through a resolution not to adopt unilateral measures that may restrict trade between the Central American countries and to make changes in the regulations that are presently in effect to avoid any discriminatory treatment for products coming from other Central American countries.

After the meeting, the economic ministers of Nicaragua and Costa Rica, Alejandro Martinez Cuenca and Luis Escalante, respectively, signed an agreement to reactivate the clearing house bilaterally with an amount of up to $6 million annually. Whenever there is an accumulation of $500,000, the clearing house will be closed. It will reopen when the deficit has been covered.

Likewise, Luis Fiallos, Nicaraguan deputy forestry minister [title as published], signed an agreement with private Costa Rican businessmen for timber exploitation in Rio San Juan and San Carlos. Central Bank representatives of Honduras and Nicaragua signed another agreement to renegotiate the debt between both countries. The Nicaraguan delegation also signed an agreement with Guatemala to renegotiate the debt and to open a clearing house.

The representatives of the Central American countries unanimously approved the resolution of the ministers, deputy ministers, and central bank presidents.

The Central American economic ministers participated in the event. They were Lizandro Soza from Guatemala, Ricardo Gonzalez from El Salvador, Luis Escalante from Costa Rica, Reginaldo Panting from Honduras, and Alejandro Martinez Cuenca from Nicaragua. The central bank presidents of those countries also participated in the event.

Authorities from the Secretariat of Central American Economic Integration (SIECA), the Central American Monetary Fund, the Central American Bank of Economic Integration (BCIE), and the Economic Commission for Latin American (ECLA) also attended the event.

DICA Called Blow to U.S.

PA252140 Managua Radio Sandino in Spanish 1930 GMT 22 Aug 86

[Text] Foreign Trade Minister Alejandro Martinez Cuenca said today that recent agreements to reactivate Central American trade are a strong blow to the Reagan administration's policy. Martinez Cuenca was referring to the creation of the DICA, approved yesterday at the 26th meeting of ministers in charge of integration of Costa Rica, Honduras, Guatemala, El Salvador, and Nicaragua.

He explained that the fact that the five countries met to jointly discuss their own economic problems is a clear sign to Ronald Reagan that the military solution is not the way out of the regional crisis. He said that the $100 million in aid to counterrevolutionary groups, which he called the financing of terror, contrasts with the crumbs that the countries of the area receive from the United States in its efforts to make them accomplices to its illegal aggression. Martinez Cuenca said that the solutions offered by the U.S. Government to the recipients of these crumbs do not satisfy the financing needed to face the severe regional crisis. He recalled that in Central America only 40 percent of existing industrial capacity is being used, resulting in growing unemployment and other difficulties, in addition to reducing intraregional trade by 31 percent since 1980. He added that in this situation, measures are sought that can broaden the crisis [as heard], mainly those relating to methods of payment, like the DICA, which allows trade using the national currency of each of the countries of the area.

This agreement and others to jointly explore financing and new markets were described by the minister as positive, taking into account the very strong U.S. pressures which have always opposed these expressions of unification.

Guatemalan Minister Comments

PA251551 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 22 Aug 86

[Text] Economy Minister Lizardo Sosa Lopez confirmed today that the last meeting between Central American central bank presidents, which was held in Managua, adopted a new mechanism that will speed up the trade between Central American nations. The new mechanisms will be easier to handle by the private sector -- according to its interests -- to import merchandise and products without first submitting a list to get a permit. He said it is a document with an assigned value, which will be called a Central American Import Bond, which may be used as of 1 October of this year.

[Begin Sosa recording] The results are positive, because the main goal of the meeting between central bank presidents and ministers in charge of integration was to adopt or reject a decision concerning the creation of an additional form of payment for intraregional commerce. The resolution was adopted yesterday, approving the creation of a document that will be called a Central American Import Bond, or DICA, as of 1 October of this year.

DICA is a document that will be issued by the central bank in each country and will be payable -- only by that bank -- within a specific period of time. For example, if we want to import something from Costa Rica, using the DICA's, then we must find a Costa Rican exporter who is willing to receive the Guatemalan DICA. Then our local importer goes to the Bank of Guatemala, buys a DICA for an equivalent of $100,000, and sends it to pay for the imports.

Consequently the Costa Rican exporter keeps the DICA, and he may negotiate it in the stock market or with any other exporter in Costa Rica or in any other Central American country who wants to import Guatemalan products. [end recording]

In addition, the economy minister said that the central bank officials meeting in Nicaragua discussed the $190-million debt that the country has with Guatemala in the trade sector.

[Begin Sosa recording] We did hold some talks with the Republic of Nicaragua. It seems that we have reached an understanding, and this will be submitted to the monetary board as soon as possible by Mr Linares, president of the Central Bank. If the monetary board thinks that the terms of the agreement are acceptable, then we will be able to continue negotiating with Nicaragua concerning the eventual payment of their debt. As far as I am concerned, we talked with the Nicaraguan authorities about the possibility of reaching a trade agreement. In the meantime, we are trying to establish trade mechanisms for compensated commerce; in other words, they will buy as much from us as they sell to us. We had talked about $1 million per month, but this is subject to a consultation with the BCIE's national commission, which was recently created by the president of the Republic, and the president himself. If this is considered feasible, as I think it is, we might sign a trade agreement with Nicaragua in September. [end recording]

EL SALVADOR

BLANDON CALLS FOR NATIONAL UNITY, EFFORTS

PA230342 San Salvador DIARIO LATINO in Spanish 21 Aug 86 p 9

["Excerpt" of speech by General Adolfo O. Blandon, chairman of the Salvadoran Armed Forces Joint Chiefs of Staff, at the Salvadoran Chamber of Commerce and Industries; date not given]

[Text] Perhaps never before have the Salvadoran people had to live in such difficult times as those we are experiencing now, after 30 years of war, during which over 99 percent of Salvadorans have been affected in one way or another: some of us have lost relatives, others have sought refuge in foreign countries, others have lost their property and others have been affected psychologically. All Salvadorans have experienced the consequences of the war in one way or another, because this is a special, modern war, stemming from the concept of classical war. This type of war is no longer the one through which people want to conquer territories; it is no longer the war through which the armies want to impose their will on the enemy.

We are dealing with the concept of vertical war [guerra vertical]. The concept of horizontal war [guerra horizontal] is going down in history. To win a vertical war we need not only military equipment and soldiers, but also the joint efforts of all Salvadorans who think that the democratic system is the best way of life.

The Salvadoran general staff has been working very hard in the past few months. We have been designing a new strategy, bearing in mind that this is not only a military war, but a political, social, ideological, and international one as well.

We cannot evade other countries' influence, and we all know that when a country experiences problems, several organizations begin to interfere. For example, when Nicaragua had its conflict, the Andean Pact came up. When the conflict spread over the region, the Contadora Group emerged. Another of those mechanisms was the French-Mexican statement. Thus, what can help us bring peace to the country? We have found only one way, and that is the unity of efforts by all good Salvadorans, including businessmen, workers, peasants, teachers, professionals, and the church. All of us have to make efforts to achieve peace.

In San Miguel I said that history put us in a critical situation, because we have an immense responsibility on our shoulders. What kind of country do we want for our children? A free country or an enslaved one? I am sure that none of us wants an enslaved country, and that is our great responsibility. Regardless of the battle, we are part of a generation that I call the generation of honor.

This is no time for quarrels or group differences. We must wear the Salvadoran uniform because that is the only way to take our country out of the conflict. The "United To Rebuild" plan was devised to favor those who have suffered the most in this war, to fulfill their basic needs, to allow them to return to their places of origin, and to make them produce again, because El Salvador has to produce much more than it does now.

That plan is not devised for a specific person or political party; it is for all Salvadorans, mainly for the most needy. For that reason, I am pleased to know that there are businessmen at this meeting. For the militarymen, that is very meaningful.

Perhaps, you, as members of the private sector, think and wonder about what you can do. Perhaps you have guidelines and are capable of putting together an efficient, active effort. I pray to God no one will politicize this plan, and I honestly admit that that is my main concern, because this is not a political plan.

Political parties should also support this plan if they really want peace in El Salvador -- a lasting peace, not an ephemeral one. We are looking for peace attained through work and love. We are experiencing extremely illogicial situations, because we are divided at a time when we need to be most united. We fight over trivialities and forget about the great danger that hangs over our country, because a confrontation is underway between two great systems, only a few kilometers apart, between Nicaragua and El Salvador: Marxism-Leninism in Nicaragua and democracy in our country.

Our unity will save the country. It is sad to see all the fights at the Legislative Assembly when it is time to be united. We, the militarymen, overcame that. People described us as an insensitive, incapable Army. They said we worked only from 0900 to 1700 and that we were interested only in looking after the interests of 14 families. Now we have earned a place in the people's minds and hearts, and we have also attained international recognition.

ZEPEDA VIEWS MEXICO TALKS, REBEL STRATEGY

PA220356 Panama City ACAN in Spanish 0145 GMT 22 Aug 86

[Text] San Salvador, 21 Aug (ACAN-EFE) -- The Salvadoran Army stated today that the "rebels are using the dialogue as a propaganda maneuver" of their political-military strategy.

Colonel Orlando Zepeda, member of the Armed Forces General Staff and chief of military intelligence, analyzed the political and military strategy of the FMLN guerrillas during a meeting today with more than 200 Salvadoran businessmen.

Zepeda explained that the Salvadoran guerrillas have "divided their forces throughout the country into five kinds of units in an effort to wear out the Salvadoran Army." He described the operations of the "guerrilla units," which are comprised of four or five members [miembros] in charge of continually ambushing the Army; "mobile units," which are in charge of major military operations; the "special forces;" the "city commands," and the "expansion units."

"The guerrillas changed their strategy in the middle of last year; they went from large groups to small groups, because they were unable to face and wear out the Army," Col Zepeda explained. According to Zepeda, this new strategy engages the Army more frequently, and although the strategy has failed, "it has caused more than 2,000 casualties among our ranks since January."

Zepeda said that the guerrillas have other tactics, such as "destroying the economy, especially the country's most important products: coffee, cotton, and the electrical power infrastructure." He said that the guerrillas are also trying to disrupt the government, the Army, and political parties "by creating and promoting division among the political groups."

"The guerrillas want to make it appear that the Army belongs to the government, to a political party, to a person, something which is not true," Col Zepeda indicated. "The maneuvers and pressures in relation to the dialogue are other guerrilla tactics, an attempt to use the dialogue for their propaganda, so as to gain time in order to recover the strength they have lost," Zepeda said.

The leftist groups and representatives of Jose Napoleon Duarte's government held two rounds of talks in 1984, and representatives of both sides are discussing in Mexico now the possibility of holding a third round of talks. The aim of the talks is to humanize the war which for the past 7 years has been affecting El Salvador.

VENCEREMOS VIEWS PROPOSAL ON PRISONER RELEASE

PA231537 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 23 Aug 86

[Text] The government has offered to release 23 political prisoners in exchange for a solution to the problem involving Colonel Avalos. In this regard, we want to state clearly that for us the problem does not involve the release of 23 political prisoners. The problem is that there are currently more than 900 people unjustly serving jail sentences for no reason and without the benefit of a trial. Furthermore, the Army has seized mentally ill people in conflict-ridden areas, and they are being kept in penal centers today.

Hundreds of people who have never held a weapon in their hands are in the regime's jails. Many of them have no link with the FMLN; their only crime is fighting for their demands. It is very unjust to maintain this situation; 900 prisoners for no reason, with no evidence, without defined charges. Many have served years in prison in that situation.

In contrast, while jails are full of people, the justice apparatus released Colonel [Roberto Mauricio] Staben, a well-known chief of the death squads facing numerous charges.

We insist that the FMLN's objective is not the release of 23 political prisoners. In order to resolve the problem involving Col Avalos, we propose that the government show its goodwill by resolving the unjust situation affecting more than 900 Salvadorans held in prisons for no reason. The FMLN will ask the church for the lists provided by residents in conflict-ridden areas containing the names of relatives seized by the Army. Those lists contain the names of labor, guild, and humanitarian organization members who are serving prison sentences and whose release is being negotiated by the church.

GUATEMALA

GOVERNMENT FOREIGN TRADE MEASURES CRITICIZED

PA252317 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 25 Aug 86

[Text] On 21 August the government established severe rules of state interventionism that will control Guatemalan foreign trade. This action went completely unnoticed by the people, just like many other government actions which the citizens later regret. These measures, which tend to nationalize our trade with other countries, would only have to be complemented with a political decision by the government to buy all export and import products in order for a complete nationalization of foreign trade -- just as occurred in El Salvador approximately 6 years ago -- to take place.

In El Salvador this measure was accompanied by agrarian reform and the nationalization of banks -- actions to face a serious economic crisis, which nevertheless became even worse after these decisions of state intervention were implemented.

At the beginning of its term, the Guatemalan Christian Democratic regime decided to employ the services of the Swiss General Oversight Company, SGS -- the French acronym -- to oversee imports and exports. On 21 August this regime put into effect 29 measures that seek to control our trade with other countries in an unprecedented manner.

The measures seek to make effective the payment of duties to the government at a time when the administration's expenses have increased significantly. In other words, these actions are aimed at solving the government's problems even if this effort greatly affects the people, who will see that their ability to export will decrease. This decrease will result from the undeniable complication of having to go through more of the already existing bureaucratic red tape. Imports will suffer the same fate; this will result in fewer purchases of foreign products, meaning less quantity, less quality, and higher prices.

The people are to receive two blows, in the export and import areas, because a government that seeks to obtain bigger revenues -- as in the times of the best bonanza -- is stubbornly refusing to implement an austerity program demanded by the times and by common sense.

HONDURAS

FOREIGN MINISTER ON NICARAGUAN ICJ SUIT

PA221628 San Pedro Sula TIEMPO in Spanish 21 Aug 86 p 5

[Excerpt] Tegucigalpa -- Foreign Minister Carlos Lopez Contreras announced yesterday that the government cannot yet establish the position that it will assume regarding the suit that Nicaragua presented against Honduras at the International Court of Justice [ICJ].

Members of the National Security Council met on Tuesday afternoon on the initiative of the foreign minister to evaluate the suit presented by Nicaragua against Honduras. They will meet again today to establish a position.

According to Foreign Minister Lopez Contreras, Nicaragua's suit "is based on Honduras' submission to the obligatory jurisdiction of the ICJ in The Hague through the court statute specified in Article 36 of the Bogota Pact, but Honduras made changes to that obligatory submission."

"Therefore," Lopez Contreras added, "a situation involving an obligatory submission by Honduras does not exist at this time in the face of any suit. Actually, we tried to limit the submission to essentially political conflicts, especially those related to the Central American situation." Lopez Contreras said.

Despite that, "the government has not yet made a decision as to what position it will assume in the face of that Nicaraguan suit, because, I repeat, the fact that Honduras has introduced a change on the issue of obligatory jurisdiction does not necessarily mean that it cannot -- should it wish to -- appear before the court to face the charges," Lopez Contreras said.

He pointed out that besides the possibility that Honduras could "appear before the court to face the suit, it could also present a countersuit," but we have not yet decided what we will do. [passage omitted]

LOPEZ CONTRERAS LEAVES FOR ISRAEL, NETHERLANDS

PA231956 Panama City ACAN in Spanish 1941 GMT 23 Aug 86

[Text] Tegucigalpa, 23 Aug (ACAN-EFE) -- Foreign Minister Carlos Lopez Contreras left today for Israel at the invitation of his colleague Yitzhaq Shamir, but the topics which they will discuss were not disclosed. The foreign minister is accompanied by his wife, Armida Villeda de Lopez, and Roberto Flores Bermudez, director of foreign policy of the Foreign Ministry.

It was reported that after visiting Israel the foreign minister will visit the Netherlands to meet with his colleague Hans van den Broek in the Hague.

BRIEFS

NEW TAIWANESE AMBASSADOR -- Huang Chuan-li, the new ambassador of Nationalist China, yesterday presented his credentials to President Jose Azcona Hoyo during a traditional diplomatic ceremony at the Government House. [Excerpt] [Tegucigalpa EL HERALDO in Spanish 21 Aug 86 p 2 PA]

NICARAGUA

FOREIGN MINISTER D'ESCOTO VISITS IRAQ

For Iraqi reportage on the visit by Foreign Minister Miguel D'Escoto Brockman to Iraq, including his meetings with Iraqi President Saddam Husayn and Tariq 'Aziz, Iraqi deputy prime minister and foreign minister, see the Iraq section of the 21 August Middle East & Africa DAILY REPORT and subsequent issues.

FOREIGN DIPLOMATS VISITING NORTHERN ZELAYA

PA252020 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 25 Aug 86

[Excerpt] A delegation of diplomats accredited in our country is visiting northern Zelaya to learn about the status of projects which their respective countries are supporting in that zone. Diplomats from the Polish, Czech, and USSR missions, among others, were also able to see the conditions northern Zelaya people are experiencing. The ambassadors are to stay in that zone until tomorrow, 25 August. [passage omitted]

BRIEFS

WHEAT DONATIONS -- In the past 24 hours, the Nicaraguan people and Government have received approximately 14,000 metric tons of wheat from the French, Spanish, and Indian Governments. Spokesmen of the Foreign Cooperation Ministry reported that on 13 August Spanish Ambassador to Nicaragua Yago Pico de Coana delivered to Jose Angel Buitrago, vice minister of foreign cooperation, 2,000 tons of wheat that are being unloaded in the port of Corinto. Meanwhile, in Managua the deputy external affairs minister of India delivered 2,000 metric tons of wheat to Pedro Antonio Blandon, first vice minister of foreign cooperation. At this time, a ship from France is about to dock in Corinto with 5,000 metric tons, which are part of a total donation of 10,000 tons. The other 5,000 metric tons will be unloaded in the port of San Juan del Sur in the next few days. [Text] [Managua Radio Sandino in Spanish 1200 GMT 14 Aug 86 PA]

NONALIGNED SUMMIT TO DISCUSS L.A. ISSUES

FL261814 Havana Radio Reloj Network in Spanish 1411 GMT 26 Aug 86

[Excerpts] Experts from more than 100 Nonaligned Movement member-countries are analysing the upcoming eighth summit meeting declaration draft on topics related to conflicts in Latin America and the Caribbean. [passage omitted]

The Nonaligned Movement's final declaration draft, being discussed today at the experts meeting in Harare, calls for the immediate and total end of the U.S. blockade against Cuba. Zimbabwe said that the United States should end all pressures against our country. Zimbabwe also condemned the recent escalation of ag ression threats against Cuba. It requests support for Cuba's just demand that the U.S. military withdraw from the Guantanamo naval base and compensate Cuba for the material damages we have suffered.

The draft of the final declaration being analysed shows concern over the imprisonment of Puerto Rican patriots in the United States and calls for their rights to be respected. [passage omitted]

ANGOLAN FOREIGN TRADE MINISTER ARRIVES

FL261855 Havana Television Service in Spanish 1700 GMT 26 Aug 86

[Text] Angolan Foreign Trade Minister Ismael Gaspar Martins arrived in Cuba before dawn today. Foreign Trade Minister Ricardo Cabrisas welcomed him.

Gaspar Martins told Tele-Rebelde the delegation he is heading will participate in the second meeting of the joint foreign trade commission which will discuss the development of this year's trade relations and the plans for 1987.

[Reporter] How would you describe the development of trade and cooperation relations in the area of foreign trade between our two countries?

[Gaspar Martins, in Portuguese with consecutive Spanish translation] As I said before, they are very positive. As you know, Cuba and Angola are facing an economic situation which is a result of imperialist manipulation of one of our basic products, oil. With the revolutionary and militant creativity we have, I believe we are here to find ways of going beyond these external difficulties which, naturally, have an impact but will never reduce the amount of trade or our commitement to strengthen our relations in the area of trade and economics. It forces us to be more creative in the search of these solutions. [end of recording]

'OUR AMERICA' ON CONTRA PRESENCE IN HONDURAS

PA251715 Havana International Service in Spanish 2300 GMT 22 Aug 86

["Our America" commentary, read by Norberto Hernandez]

[Text] Thanks to the proverbial kindness of Honduran President Jose Azcona, the members of three armies move freely throughout his country. They are the Honduran and the U.S. armies and the Nicaraguan counterrevolutionaries.

The open and massive presence of thousands of Somozist mercenaries and Sandinist revolution traitors has resulted in an increase in crime, drug trafficking, and abuses against the Honduran population. The citizens of Honduras wonder how long they will have to endure the undesirable former guards and the paid CIA agents.

The Nicaraguan counterrevolutionaries are everywhere. They are in and out of military bases. They go to shops and night clubs and roam the country to spend the juicy salaries they receive from the Reagan government.

Because of their servile attitude, the so-called contras like to change the names of Honduran towns, and now the town of Capire is being called Reagan City, and Cifuentes has been rebaptized as Kirkpatrick. Arenales is now known as Casey. These are allusions to Jeane Kirkpatrick, a former U.S. ambassador to the United Nations, and to CIA chief William Casey.

Although the presence of the freedom fighters -- as Reagan calls the mercenaries -- puts in doubt Honduras' sovereignty, the government of Jose Azcona remains indifferent to reports that the presence of the mercenaries has provoked the forced exodus of the indigenous population from more than 60 villages. Many of the displaced people are peasants, whose limited property has been plundered as Somozist and U.S. secure places are expanded.

But the contra business is too profitable to be abandoned by Honduran Government officials, some deputies, businessmen, military, and other elements of Honduran society.

Several of these elements have become part of the structure in charge of supplying food and clothing to the Nicaraguan counterrevolutionaries in exchange for CIA dollars. Since their greed is stronger than their common sense, Honduran territory has become the site of intense struggles to determine who will receive the most profits.

In July an unidentified group attacked a house where a group of well-known Nicaraguan counterrevolutionary chieftains was meeting in Tegucigalpa, the capital of Honduras. Those who denounce this situation are terrorized. At the beginning of this month, a bomb exploded in the home of Rodrigo Wong, director of Radio America -- one of the most important radio stations in Honduras. Wong had criticized the deterioration of national sovereignty as a result of the presence of many foreigners.

As a result of the U.S. Senate approval of $100 million for the Nicaraguan counterrevolutionaries, it is to be expected that rivalry among those in Honduras who assist the contras will increase.

Since greed is acute, government officials, politicians, businessmen, and military elements believe they have found an easy source of dollars, even at the risk of losing their lives in an immoral business where there are too many competitors.

PEOPLE'S GOVERNMENT CANDIDATE NOMINATIONS BEGIN

FL261301 Havana Radio Progreso Network in Spanish 1100 GMT 26 Aug 86

[Text] Nomination assemblies to elect municipal people's government candidates have begun extensive voter participation all over the country. Jose Ramon Machado Ventura, Politburo member and chairman of the National Electoral Commission, last night attended 1 of the 15 assembly meetings which initiated the nomination process in Havana.

COMMUNIST MARKET PROTECTION HINDERS SUGAR EXPORTS

PA260350 Madrid EFE in Spanish 0129 GMT 26 Aug 86

[Text] Santo Domingo, 25 Aug (EFE) -- The country is having problems selling sugar on the international market as a result of the communist countries' protection among themselves for purchasing sugar, Foreign Minister Donald Reid Cabral said today.

Reid Cabral explained that the country has not restricted its sugar sales for ideological reasons -- as has been said -- but it cannot sell its sugar due to that protection. This is the case of the USSR and other socialist countries preferentially purchasing Cuban sugar.

"We are in the free market, and anyone wanting to buy our sugar can do so freely," the foreign minister said, again rejecting charges that his country does not want to sell its sugar for political reasons.

This year the Dominican Republic produced some 45,000 tons of sugar -- 35 percent less than estimated -- due to a shortage of Haitian sugarcane cutters in its 1985-86 harvest and this production is enough to meet its international commitments and supply the domestic market.

The country normally brings in Haitian workers, from 18,000 to 20,000 annually to cut Dominican sugarcane.

BRIEFS

NEW AUSTRALIAN AMBASSADOR -- The president has received the credentials of the new Australian Ambassador. (Edgard Sellers) was received by the head of state in a ceremony held at the national palace ambassadors room. (Sellers) is replacing his colleague (Alfred Mitchum), who presented his credentials in December 1972. Secretary of the Presidency Rafael Penaldino and other officials were present at the credential presentation ceremony. [Text] [Santo Domingo Radio Antilles 1000 GMT 23 Aug 86 FL]

MEDIA MANAGERS CONCERNED OVER FOREIGN INFLUENCE

FL231445 Bridgetown CANA in English 1316 GMT 23 Aug 86

[By Rickey Singh]

[Text] Bridgetown, Barbados, Aug 23, CANA -- Caribbean media managers have carried their deep concern about the negative influences of foreign television to Caribbean Community (Caricom) governments.

In a report prepared for the Caribbean Publishing and Broadcasting Association (CPBA) by current President Harold Hoyte, editor-in-chief of the Nation newspapers of Barbados, the CPBA proposed a three point action plan to tackle the issue. The report called for:

1. Joint Caricom action to establish a regional broadcasting and telecommunications authority to ensure that our airwaves are not used as an instrument of distortion, but rather as a force for regional integration.

2. The setting up as a matter of the greatest urgency, of a regional commission of men and women of integrity to examine the growth of media systems in the region with a view to determining the extent to which the control of the flow of information to our people is in the hands of Caribbean people; and to assess, on a territory-to-territory basis, how much information being passed on to our people is prepared for their specific consumption, and by whom.

3. The holding of a special meeting of Caricom ministers of information to specifically address the intra-regional flow of information and seek to arrest the penetration of foreign television and radio stations programmes by the establishment of a counterbalancing proportion of locally produced programmes of national and national supported radio and television stations.

The report which has been submitted to Caricom Secretary General Roderick Rainford for transmission to the 13-member states of the Community, is to be followed up with an indepth study later this year by a Canadian communications expert.

One aspect of the Canadian experts assignment for the CPBA will be to meet with a representative body of Caribbean opinion makers, including writers, academics, journalists, religious and political leaders, for their views on the particular needs of the region.

The choice of a Canadian communications expert, media sources told CANA, is related to Ottawa's own particular concerns, about the influence of television from neighbouring United States.

The intention is that both the Hoyte report and the follow-up report by the Canadian expert would have been carefully considered for the relevant action either before or at the next Caricom summit, scheduled for St Lucia in July 1987.

In expressing its general concerns, the CPBA, the umbrella organisation of the region's leading print and electronics media institutions, said that it was worried that in most territories of the Caribbean Community, there is a disproportionate amount of American-prepared television programming in relation to regional material.

In many cases, according to the CPBA's assessment, it is not possible to view more than thirty to six [as received] minutes of Caribbean-prepared material in any given day.

The CPBA says that it respects the right of free choice and freedom of the press, but that it regards the amount and nature of American television available to the homes of Caribbean people to be entirely out of proportion to the amount of Caribbean material that is offered.

The 11-page report, with various appendices, some reflecting the expressed concerns of some leading regional peraonalities, states on page five:

We are of the view that it is not good for our people to be subjected to this volume of foreign television material provided by those who through their size, strength and geography are well placed to make it available to the Caribbean at a relatively low price...

Neither our cultural identity nor our political sovereignty, nor indeed, our territorial integrity, the report continued, should be eroded by any foreign power as a result of our location or size...

Our examination of what is taking place quietly in the living rooms of thousands of Caribbean family units, as they sit innocently before their television sets, frightens us. It is a process of deculturisation which is painless, but also very thorough and long-lasting.

The CPBA report also makes the observation that alongside the rapid growth of U.S. television programming throughout the Caribbean is the expansion of Voice of America services.

It refers to a recent article in report on the America's on communications development in the Caribbean, which stated the VOA is currently working on a plan to spend as much as U.S. 50 million in the installation of at least eleven new transmitters in the region, including Belize, Antigua, St Vincent, Grand Cayman and Grand Turk.

All of this, said the CPBA, adds up to an unnecessarily easy access to Caribbean people from foreign, particularly American, sources and the eventual subversion of our culture...

We regard this domination as a challenge to the life-styles and value systems of a largely poor and vulnerable region. We anticipate that it can have the effect of threatening the orderly development of our societies, since it enforces in the subconscious false and unattainable goals and shatters the natural pattern of social and economic development of our dependent economies...

BARBADOS

ALLEYNE ON REGIONAL SECURITY SYSTEM PARTICIPATION

FL262012 Bridgetown CANA in English 1935 GMT 26 Aug 86

[Text] Roseau, Dominica, Aug 26, CANA -- The Barbados Government has agreed to participate fully in the regional security system, Dominica's Attorney General Brian Alleyne said today.

The RSS links the islands of the Organisation of Eastern Caribbean States (OECS) and Barbados mainly in coastline surveillance.

But after a change of government in May, new Prime Minister Errol Barrow expressed reservations about the security system.

However, Alleyne told the fourth Caribbean Youth Conference that Barrow had confirmed his country's full participation in the system.

The delegates and observers from 25 moderate political parties of 16 regional countries attending the conference applauded when the announcement was made.

The Dominican attorney general defended the role of the security system saying that the forces would not be used to interfere in a country's internal affairs, but would serve to protect the islands against external threats of aggression or from minority armed revolt against recognised legitimate authority within the islands.

Alleyne said the existence of such a relationship through a binding treaty among regional neighbours was a strong psychological disincentive to external aggression or unpopular revolt.

ST VINCENT

IMMIGRATION OFFICIALS EXPEL BELGIAN JOURNALIST

FL262357 Bridgetown CANA in English 2248 GMT 26 Aug 86

[Text] Kingston, St Vincent, Aug 26, CANA -- Vincentian immigration authorities have declined comment on the expulsion from the island of a Belgian journalist after only a nights stay.

Gert Declercq told reports he was working with Trends Financial magazine on an article on the operations of Owens Banks -- an off-shore bank with offices here.

Declercq said there had been allegations in Belgium that the bank was involved in a bad business securities deal.

The off-shore bank also has branches in the Turks and Caicos Islands where Declercq said he had already visited.

He said after being allowed to stay on Sunday night, immigration officers picked him up at his hotel in the capital early monday morning, took him to the immigration office where he was detained for about half an hour while his baggage were searched. He was then taken directly to the airport; and put on board the next available flight for Barbados.

Acting Police Commissioner Randloph Toussaint, who is in charge of immigration matters, declined to say why Declercq was deported.

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CONGRESS SUPPORT OF U.S. TROOPS 'ASSURED'

PY271654 Paris AFP in Spanish 1517 GMT 27 Aug 86

[Text] La Paz, 27 Aug (AFP) -- The support of the Bolivian Congress for the presence of the U.S. troops -- to fight against drug trafficking in Bolivia -- was virtually assured today with the motion by the conservative Nationalist Democratic Action [ADN] deputies.

Despite having criticized President Paz for having allowed the U.S. Rangers to enter the country without Congress' approval, ADN Deputy Alfredo Arce Carpio said that we must put all the red tape aside and approve the fundamental issue, which is the fight against drug trafficking. Afterward, Deputy Mario Rueda Pena, from the Nationalist Revolutionary Movement of the Left [MNRI], was prevented from replying to Deputy Arce by shouts and insults coming from the officialist bloc, forcing the session to be ended.

Nevertheless, ADN and Nationalist Revolutionary Movement [MNR] votes together constitute enough of a majority to legalize the U.S. military presence.

The 170 U.S. soldiers and members of the Drug Enforcement Administration, DEA, arrived in the country on 15 July in a Galaxy airplane, which also brought six Black Hawk helicopters to help destroy dozens of cocaine factories, although they did not help arrest any important drug trafficker.

According to Waldo Cerruto, another deputy from the ADN, a political force led by former president Hugo Banzer Suarez (1971-78), congress will determine how long the U.S. troops will stay in Bolivia if they are needed.

President Paz' authorization provoked harsh internal criticism and prompted the creation of a national sovereignty defense council, as well as negative commentaries by the Peruvian, Colombian and Guatemalan Governments.

BARTHELEMY: SITUATION UNDER CONTROL, NO ARRESTS

PY280231 La Paz La Red Panamericana in Spanish 0000 GMT 28 Aug 86

[Text] Interior Minister Fernando Barthelemy has said that there are no people under arrest in the country and so far tranquillity prevails in the march for life being conducted by Bolivian mineworkers.

The minister praised the church call for dialogue and said the government has already established its position on the problem of state mines.

[Begin recording] [Barthelemy] I hope a solution can be found through dialogue, but the fact is that a response to the proposal for dialogue has already been received. A public response has been issued indicating that no dialogue whatsoever will be accepted if it is not what those political and union leaders want.

[Reporter] Is the government going to state its position?

[Barthelemy] No. The government has stated its position. It has been stated through a decree rehabilitating Comibol [Mining Corporation of Bolivia] which we believe is the only way to solve the problem. [end recording]

In conclusion, the interior minister said the situation in the country is under control and the government hopes that all pending conflicts will be solved with the understanding of all national sectors.

Miners Reject Decree

PY271423 Paris AFP in Spanish 2241 GMT 26 Aug 86

[Text] La Paz, 26 Aug (AFP) -- Miner federation leaders have categorically rejected a decree decentralizing the mining corporation of Bolivia (Comibol), charging that the decree, which was issued today, is genocidal and unconstitutional.

The leaders made this statement during a press conference in Patacamaya, 112 km south of La Paz, where over 5,000 miners, their families, and priests have arrived on a so-called march for life to demand that their jobs be preserved. The miners began marching on 22 August in Oruro and plan to end the march in La Paz, 230 km from Oruro. Organizations like the International Red Cross, the Human Rights Assembly, universities, political parties, and civic associations have supplied food and medicines to the marchers.

Miner leader Simon Reyes said the decentralization of Comibol will benefit private companies, which will seize the more profitable mines. He stressed that the miners will not abandon their jobs. Reyes added that the miners and the peasants of the region will sign a mutual defense pact, because peasants will also be affected since they will no longer be able to sell their products to the Comibol camps.

It was reported that the march for life will end in La Paz, where the government is seated, between 29 August and 1 September.

'STATE OF SIEGE' POSSIBLE TO DETER ARMS 'RING'

PY280317 Santiago Domestic Service in Spanish 2300 GMT 27 Aug 86

[Passages within quotation marks recorded]

[Excerpts] The government will adopt all proper measures to break up the extremist ring that has smuggled arms into the country: a state of siege is one feasible alternative, but its enforcement depends on the evaluation of events. Government Secretary General Francisco Cuadra made this comment today during a talk with journalists after a long Cabinet meeting that was also attended by Government Junta members and ministry under secretaries. The meeting was chaired by President Pinochet.

Cuadra said the main issue discussed was the discovery of the arms caches, in addition to the instructions issued by the president to each minister. The Cabinet also heard three reports. [passage omitted]

[Cuadra] "There was a detailed report on the present international situation, particularly regarding bilateral relations with border countries, and a specific briefing on the reports that have been issued at the international level by the Foreign Ministry through our embassies throughout the world, and particularly at the United Nations and the OAS, on background details regarding the arms caches found in the 3d Region and the metropolitan region." [passage omitted]

He also noted that the government is investigating everything that has happened.

[Cuadra] "[passage omitted] The government believes that there must be no hesitation nor contradictions on the part of citizen sectors and that they must be realistic so as to [words indistinct].

"The authentic responsibility [words indistinct] in our country is to isolate, eradicate, and confront all those sectors responsible for introducing an arms cache to promote violence, and chaos, and start a true civil war."

Cuadra noted that the government has called on the public to avoid social disagreement or secondary or inappropriate demands. He insisted that pertinent measures have been enforced from the very minute the arsenal was discovered in Carrizal Bajo in the 3d Region.

[Cuadra] "From the start of the investigations -- which led to the discovery of the arms caches in the 3d Region and later in the metropolitan region -- the government has been responding appropriately with what the situation demands.

"Therefore, each day we are evaluating the situation. The government believes it is not appropriate to accelerate certain situations if they are not truly justified by events."

Cuadra said measures appropriate to the situation will be implemented by resorting to all legal and constitutional means available.

Asked whether a state of siege would be imposed again, Cuadra said that this is a measure established by the Constitution and, just as has been noted by the defense minister, it is an alternative but that its enforcement depends on the evaluation of the situation.

He said the government believes some proposals made by Cardinal Fresno regarding an agreement between Chileans are interesting, but at present the government is mainly concerned with breaking up the subversive plan discovered when the arms caches were found.

[Cuadra] "In the press, we read the proposals made by His Excellency Cardinal Fresno. In this regard, the government finds that some proposals are quite interesting but our main concern at this time is to break up the entire subversive plan and its ramifications, among which are the arsenals found in the 3d and metropolitan regions.

"According to the information we have, there are weapons distributed throughout the country. These arms were part of the arms caches which have a high fire power and, therefore, can be used by terrorist groups. Our main concern now is to break up this ring."

Asked about Admiral Merino's statement about possible amendments to the Constitution, Cuadra said the government has always accepted the fact that in theory the Constitution could be amended because any law is susceptible to amendments. But he said the practicality of amending the Constitution depends on political, economic, and social circumstances and it has been noted that at present, this is not justified.

Asked about the government's opinion regarding the National Accord's proposal to hold free elections, Cuadra said although this proposal has not been studied in detail, he believes that the so-called National Accord has lost importance in view of the actions and statement made by its members.

Arms Transport Described

PY271603 Madrid EFE in Spanish 0344 GMT 27 Aug 86

[Text] Santiago, 26 Aug (EFE) -- The largest arms, ammunitions and explosives caches ever discovered in Chile during the 13 years of Pinochet government were brought ashore in fishing boats, according to a statement by the skipper of one of those boats.

Last night, the state-owned television station (Canal 7) aired the statement of Nelson Asencio Pardo, supposedly one of the 22 people arrested by security organizations in connection with the discovery of clandestine arsenals which -- it has been said -- were owned by the Marxist group Manuel Rodriguez Patriotic Front (FPMR).

In the account made public by the National Intelligence Center (CNI, political police), the military materiel found and seized weighed more than 50 tons, and was brought ashore in 2 shipments, one early this year, and the other on 27 July.

According to the Nelson Asencio Pardo's statement, he was in charge of the second shipment. He said he had become involved in the operation in May when a man, who introduced himself as "Pedro," offered to finance the purchase of a fishing boat that would be operated by Pardo to create jobs in the area of Coquimbo, a port located 460 km North of Santiago.

"Pedro" told Pardo he knew him since the 1960's when Pardo was a communist leader of a fishermen's union. "Pedro" then proceeded to give Pardo 6 million pesos ($30,000), with which the latter made a down-payment on the fishing boat Astrid Sue and agreed to pay another 2 million pesos ($10,000) later.

Continuing his televised statement, Pardo said that he -- as a brand new skipper -- went to see "Pedro" to give him "an account" after the fishing boat was acquired and the fishing operations had started with a crew, which was contracted for the purpose. At that time, "Pedro" revealed the real objective of the purchase of the boat: Transporting contraband arms.

In a broken voice, Pardo said that "Pedro" and his associates had forced him to accept the mission, threatening his family should Pardo refuse. They told me, Pardo asserted, that they were going "to burn my daughter." Then, on 22 July, associates of "Pedro" took over the fishing boat and at gunpoint forced the crew to go along with their plan. Next, they brought modern navigational and satellite communications equipment onto the fishing boat.

The boat under Pardo's command sailed off the coast and after approximately 26 hours, reached a point on the Pacific Ocean, presumably located out of the 200-mile zone, where it rendezvoused with a ship that appeared to be Cuban.

"When I boarded the ship, I saw a picture of Fidel Castro hanging on the wall of one of its compartments," Pardo said.

The skipper of the Astrid Sue recounted that it took about 10 hours to transfer the load of arms, ammunitions, explosives, and other materiel. According to Pardo, the load totaled some 35-40 tons, not counting the boxes that fell into the sea. The return trip was made in bad weather and so it took nearly 48 hours to reach the site chosen on the coast early on 25 July. The unloading was done over the next two days in the predawn hours, with the help of some 50 people on shore.

The skipper's testimony was aired by the state-owned television station on the same day the military prosecutor's office began to interrogate 22 suspected terrorists, who had been arrested in connection with the finding of the clandestine arsenals.

According to official reports, part of the materiel consists of: 3,115 U.S. M-16 rifles with almost 2 million rounds of ammunition; 114 Katiushka RPG-7 rocket launchers with 1,863 antitank rockets; 167 Law rocket launchers; approximately 2,800 kg of explosives; and other materiel.

11 Subversives Sought

PY280335 Santiago Domestic Service in Spanish 2300 GMT 27 Aug 86.

[Text] Eleven terrorists, who are under order of arrest for their connection with the gigantic arms caches recently found in the 3d and metropolitan regions, are still at large. The information about the existence of these 11 terrorists was reported by special military Judge Lorenzc Andrade, who is in charge of investigating the serious extremist plan. In a talk with the press, the military judge said he issued arrest warrants against 11 extremists. He also said that the 14 persons who were questioned yesterday afternoon -- placed under arrest and held incommunicado -- admitted their involvement in the arms caches case. The military judge noted that the 14 extremists have confessed they participated in the illegal introduction of arms to the country.

Regarding the 11 extremists at large, he said they are people who were involved in the arms caches discovered by security services in the Carrizal Bajo sector, about 90 km from the Vallenar coast.

He added that on 30 August at the latest, he will decide on the court proceedings to be undertaken against the 14 people who are under arrest and being held incommunicado at the preventive arrest center in Santiago Sur.

Investigations have established that at least two important offloadings were made from Cuban ships and, therefore, there might be more caches not yet detected. Judge Andrade has noted that orders were issued to carry out investigations in this regard.

Regarding the 14 people who are under arrest, the military judge noted two of those arrested have confessed they have participated in other violent activities.

Patrol System on 'Alert'

PY270338 Santiago Domestic Service in Spanish 2300 GMT 26 Aug 86

[Relay from Arica]

[Text] Captain Guillermo Aranda Pinochet, the commander of the naval garrison and maritime governor of Arica, has said: Our electronic warning system is on permanent alert, and permanent maritime patrols are being conducted. He made this comment in relation to the possibility that the large Soviet factory and fishing ships that operate 200 nautical miles off the Chilean coast might try to unload arms and explosives near Arica.

The Arica naval chief received [words indistinct] the modern submarine Pilsen of the Chilean Navy, which stopeed for 3 hours in Arica after participating in a ceremony at Callao Port, Peru, at the invitation of the Peruvian Navy.

LANTERI CHARGES PROPAGANDA CAMPAIGN AGAINST ARMY

PY271608 Santiago EL MERCURIO in Spanish 15 Aug 86 p C-2

[Excerpt] Army Intelligence Department Director Brigadier General Julio Salazar Lanteri has charged that a propaganda campaign has been orchestrated to discredit the Chilean Armed Forces and the Army in particular. He added: "Marxist terrorism and its unconditional allies know very well that we are the pillar of our nation and our fatherland's most powerful moral reserve."

Salazar Lanteri stressed that if the Armed Forces remain united and committed to their duties, all attempts to create chaos will fail. "That is why we must keep on the alert against infiltration, which undermines patriotism and its foundations."

He said that the Army has been cowardly attacked and that several Army members have been treacherously murdered.

Salazar Lanteri made these remarks at a ceremony during which Ecuadoran military attache Colonel Miguel Eduardo Zaldumbide and Venezuelan defense attache Colonel Humberto Jose Nieto were awarded the medal of the "Star of the Military Order." [passage omitted]

BURNED STUDENT'S RELATIVES RELEASED AFTER ARREST

PY271337 Paris AFP in Spanish 0100 GMT 27 Aug 86

[Text] Santiago, 26 Aug (AFP) -- A military judge today ordered the release of a sister and brother-in-law of student Carmen Gloria Quintana, who -- according to witnesses -- was burned by a military patrol during a demonstration against the Pinochet government.

The 18-year-old university student was attacked together with Rodrigo Rojas de Negri, who died on 6 July of serious burns. Carmen Gloria is in critical condition with burns over 62 percent of her body at the Hospital del Trabajador in Santiago.

The military judge ordered the immediate release of Emilia Quintana and her husband, Sergio Fuentes, for lack of evidence. They had been arrested at their home on 25 August and accused of having helped construct a barricade when the two youths were set on fire.

Carmen Gloria's two relatives were confronted with the witness Pedro Martinez, who today was arrested at the order of the military judge for having admitted carrying two Molotov cocktails to set the barricade on fire.

The defense lawyers reported that another witness, who had blamed the military men for the incident, had been kidnapped for several hours by an unknown commando which threatened to kill him. The lawyers have requested a court injunction for this witness.

PS REPORTS KIDNAPPING OF THREE PARTY MEMBERS

PY272339 Santiago Radio Chilena in Spanish 1700 GMT 27 Aug 86

[Text] Nestor Ortiz, a member of the Socialist Party [PS], has reported the kidnapping and arrest of three PS members. He indicated that two of them were detained yesterday by unidentified individuals and the other was detained this morning. Ortiz said that the first kidnapping, yesterday at 1830 at 427 San Antonio Street, involved Gonzalo Fuentes and Miguel Acevedo.

[Begin Ortiz] Two party members were kidnapped by unidentified individuals at 427 San Antonio Street at 1830 yesterday. This is what happened: A man who identified himself as Lieutenant Fuensalida came to the office where Gonzalo Fuentes and Miguel Acevedo work to tell them he had recovered the car stolen 3 days ago. When the two party members went out to identify the car, they were forced into a car with license No CN6986. They are considered missing, since no one has claimed responsibility for their detention. [end recording]

Ortiz added that another PS member identified as (Freddy Cantino), who recently returned from exile, was also kidnapped by unidentified individuals at 0940 today. Ortiz pointed out that the kidnapping occurred at the same office at 427 San Antonio Street. He also said that Gonzalo Fuentes is currently the private secretary of PS Secretary General Ricardo Nunez. It was later reported that Gonzalo Fuentes, Miguel Acevedo and (Freddy Raul Cantino de Rios) were arrested on orders from the Interior Ministry, and that they were being held at the headquarters of the National Intelligence Center, CNI, in accordance with the law.

Jorge Molinas, the PS deputy secretary and member of the Democratic Alliance, has condemned the detention of the three PS militants by unidentified individuals. As we reported, Gonzalo Fuentes, Miguel Acevedo, and (Freddy Cantino de Rios) have been detained. The first two were detained yesterday, and the other one this morning. According to an official report, they were arrested on orders from the Interior Ministry, and they are being held at the CNI headquarters, in accordance with the law. Jorge Molinas indicated that after these people were detained, their homes were raided.

[Begin Molinas recording] We denounce the treatment received by many people in Santiago and the rest of the country. Their homes are raided under the pretext of searching for arms. They are detained by individuals who have no authority or warrants, and who do not indicate where the detainees are being held.

We are returning to the worst times of repression against Chilean people and homes. We believe that this is a maneuver to silence the (Documenta) Publishing House, which has the task of disseminating the democratic thoughts of socialism. The people who were detained are peaceful people who have never been arrested or in any violent incident. [end recording]

Molinas said this is the reason the PS protests the detention of its members and demands the disclosure of the exact locations where they are being held. The PS also wants to know why the government acts as it does.

CARABINEROS INVADE UNIVERSITY, ARREST 37

PY280213 Paris AFP in Spanish 1933 GMT 27 Aug 86

[Text] Santiago, 27 Aug (AFP) -- Reliable sources have reported that today the police invaded the College of Economics of the University of Chile -- the country's main university -- and arrested 37 students participating in a symbolic occupation of the college and supporting several demands.

According to student leaders, the students were dislodged by Carabineros -- the uniformed police -- at the request of college authorities in downtown Santiago.

The students of the College of Economics occupied the premises because of the silence of officials regarding their petitions, which include requests for student economic aid with limited resources, and for participation in the decisions of the college's Executive Board.

During recent months Chilean universities have experienced interference of university activity by General Augusto Pinochet's government.

TRUCK OWNERS CONFEDERATION PRESIDENT QUITS ANC

PY272040 Santiago EL MERCURIO in Spanish 20 Aug 86 p C5

[Excerpts] The president of the Chilean Truck Owners Confederation, Julio Lagos, yesterday announced that his confederation will no longer be represented in the National Civic Assembly [ANC] and that he personally has decided not to participate in this organization and not to follow directives issued by its leaders. [passage omitted]

Julio Lagos explained that the Chilean Truck Owners Confederation joined the ANC by the vote of only 4 associations, with 34 associations absent from the decisive meeting. He added that this fact, "has caused serious disunity among member associations of a traditionally united solidary confederation."

He finally announced that a national conclave will soon be called to decide what policy the confederation should follow. [passage omitted]

PRESIDENT BARCO SPEAKS AT ECOPETROL ANNIVERSARY

PA260345 Bogota Television Service in Spanish 0000 GMT 26 Aug 86

[Text] On the occasion of the commemoration of Ecopetrol's [Colombian Petroleum Enterprise], 35th anniversary, President Virgilio Barco and Mines and Energy Minister Guillermo Perry Rubio spoke about national conciliation and the current government's oil policy to be followed for the next 4 years.

In 1951, when the reversion occurred, only the Barrancabermeja refinery existed. It handled 22,000 barrels of oil daily. Today, we have two refineries capable of refining approximately 220,000 daily barrels of crude oil. At that time, only three products -- gasoline, gas, and propane -- were produced. Today, more than 60 products are offered in the market. The government's efforts will be aimed at restoring national peace and making possible the progress of alternate cities, President Barco said today in Barrancabermeja.

[Begin Barco recording] In my inauguration speech I announced that to consolidate what we had achieved and move forward in the way of reconciliation, an agency linked directly to the presidency would be created to direct and coordinate the political, social, and economic plans which contribute toward normalcy and promote the restoration of zones affected by violence. [end recording]

The president also said that, with Ecopetrol resources, regions that require the state's presence will be reached. President Barco returned to Bogota this afternoon. His public activities slated for tomorrow include a meeting with the Liberal Party's Central Political Commission headed by former President Julio Cesar Turbay Ayala.

Further on Barco Speech

PA260446 Paris AFP in Spanish 0053 GMT 26 Aug 86

[Text] Barrancabermeja, Colombia, 25 Aug (AFP) -- President Virgilio Barco demanded today the support of all of society to successfully complete the pacification and rehabilitation of the country.

At the commemoration of the 35th anniversary of Ecopetrol, Barco reiterated that to advance on a difficult path such as that of peace, "one needs determination, perseverance, goodwill, honesty, and loyalty in regard to commitments, procedures, and intentions."

After stressing that a new phase in the much needed reconciliation has begun, Barco noted that "it is a stage in which objectives and procedures are being institutionalized."

Outlining the policies that his government will follow to eradicate poverty, the president referred to the "alternate cities" [ciudades alternas] as a response to the isolation of rural areas.

"The alternate cities," he said, "will be centers of social and political modernization, as well as centers for the transfer of technology, including that which is applied to urban and regional planning and administration."

In conclusion, he referred to the administration of justice, emphasizing that the state will give the judges the instruments and protection needed to guarantee the impartial, effective, and prompt exercise of justice.

GOVERNMENT REJECTS U.S. OFFER OF RADAR

PA272000 Paris AFP in Spanish 0346 GMT 26 Aug 86

[Text] Bogota, 25 Aug (AFP) -- It was announced this evening that the government has stated its opposition to the installation of radar offered by the United States on the island of San Andres, located 115 miles from the Nicaraguan coast.

In an official bulletin the offer was rejected because the conditions placed by the United States "are not satisfactory."

This explanation comes after the publication in the latest edition of the U.S. magazine NEWSWEEK of an article that was later reported by an international news agency. According to the U.S. magazine, the radar -- which supposedly is for the purpose of controlling the air and sea activities of drug traffickers and illegal fishermen -- was really to "spy" on Nicaragua.

The press office of Narino Palace has issued the following communique: "The installation of radar on the island of San Andres for Colombian control of the air space and territorial waters of the San Andres archipelago has been a matter of discussion between the Colombian Government and U.S. ambassadors since 1983." The U.S. ambassador then was Mr Tambs. "When the offer was made," the communique adds, "it was determined that the radar was obsolete, that repair work was necessary, and that the installations of the plants and additional equipment would represent a high cost to Colombia."

"Following the visit to Bogota by U.S. Secretary of State George Shultz at the presidential inauguration (on 7 August) the U.S. Ambassador (C. Gillespie) made a new proposal, which this time involved modern portable radar equipment." the note adds.

The communique states: "Although this radar would allow the Colombian Government to improve the security of, and the control over, the territorial waters and the air space of the archipelago, it has been established that the conditions offered by the U.S. Government are not satisfactory because the radar must be the property of the Colombian Government and be operated by the military forces of our country."

It must be noted that Colombia, one of the most zealous members of the Contadora Group for peace in Central America, has had sovereignty over San Andres since 1928 as a result of the signing of the Esguerra-Barcenas Treaty, which established possession of this island, that recently has been repeatedly claimed by the Nicaraguan Government.

SUPREME COURT CHIEF CALLS MAGISTRATES 'HOSTAGES'

PA271352 Bogota EL SIGLO in Spanish 23 Aug 86 pp 1,3

[Communique issued by Fernando Uribe Restrepo, president of the Supreme Court of Justice; date not given]

[Text] I am very thankful to the president of the Republic; his secretary general; the government, defense, and justice ministers, and the high commands of the Army and national police for the efficient and appropriate manner in which they are fulfilling the most urgent needs of the Supreme Court.

The Colombian Army is willing to provide the special protection that the magistrates unfortunately need today, in view of the unprecedented attacks of which we are targets.

This determined and undoubtedly extreme action is only logical when one thinks that the constitutional code of laws must be defended with the same determination and zeal -- which we will have -- to defend the homeland's borders from enemy attack.

We, the magistrates of the Supreme Court, in some way, incredible as it might seem, are hostages in our offices, or politically persecuted inside our own country, because of the functions that the Constitution and the law assign us. Of course, we do not have a place to seek asylum.

In reference to the legal state system that has been in force for 100 years, it must not be forgotten -- as Daniel Webster said -- that without the Supreme Court, the Constitution would not be a constitution, nor would the government be a government.

Fernando Uribe Restrepo

President of the Colombian Supreme Court of Justice

OIL SELF-SUFFICIENCY EXPECTED TO CONTINUE

PA261511 Buenos Aires REUTER in Spanish 2328 GMT 25 Aug 86

[Text] Bogota, 25 Aug (REUTER) -- The new energy and mines minister of Colombia, Guillermo Perry, said today that the country will try to maintain its recently recovered self-sufficiency in oil until the next century.

Perry said that this goal demands that within the next 12 years, Colombia must find approximately 1.3 billion barrels of crude oil, which is equivalent to nearly one-third of the oil discovered throughout the oil history of the country.

He added this will entail drilling no less than 50 new wells per year.

Perry was appointed to the first Cabinet of President Virgilio Barco.

Speaking after the minister during a ceremony held in Barrancabermeja to commemorate the 35th anniversary of the Ecopetrol, the company's president, Alfredo Carvajal said that oil production amounts to approximately 340,000 barrels daily.

He did not give any export statistics, but an Ecopetrol spokesperson said that the petroleum products, including fuel oil, amounted to 8.91 million barrels in the first 7 months of the year, with a revenue of $184 million.

Some exports resumed this year, following an interruption of 10 years. The amount of 340,000 barrels daily is in sharp contrast with 108,000 barrels in January, and a goal of 390,000 barrels is set for late in 1986.

Carvajal, whose 18 months as Ecopetrol president will probably conclude next week when he is replaced by the newly appointed president, Francisco Chonna, emphasized that self-sufficiency and the resumption of oil exports will ease the trade imbalance by some $500 million this year.

DEFENSE MINISTRY DISCLOSES RESULTS OF RAIDS

PA260435 Bogota Television Service in Spanish 0000 GMT 26 Aug 86

[Text] The Defense Ministry has disclosed the result of 183 raids in 9 cities to capture drug traffickers and guerrillas. Twenty-three people were detained, and 2 kg of cocaine paste, 126 pistols and rifles, 4,000 rounds of ammunition, and $52,000 were confiscated.

The persons detained include Victor Eduardo Mera Buenaventura, who fled the United States after he was charged with drug trafficking. He was living happily in Bogota with two identities.

ARMY NOTES RESULTS OF CLASHES WITH REBELS

PA270420 Hamburg DPA in Spanish 2012 GMT 26 Aug 86

[Text] Bogota, 26 Aug (DPA) -- The Army General Command reported today that during the first 19 days of President Barco's administration, 49 soldiers and 74 guerrillas died in armed clashes.

According to Defense Ministry reports, 30 military men, including soldiers and officers, were wounded during guerrilla attacks principally in the Departments of Antioquia, Cauca, Boyaca, Tolima, Valle, Cordoba, and the Arauca Intendancy, in the eastern part of the country near the Venezuelan border.

Military authorities reported today that 10 members of the Armed Forces died, and over 20 members of the so-called "America Battalion" were reported as casualties, as a result of bloody clashes which took place especially in southwestern Cauca Department, an area that covers the towns of Paez, Belalcazar, and Inza.

The Defense Ministry also reported that troops of the 3d, 9th, and 10th brigades are carrying out operations in Cauca Department. The brigades are using helicopter gunships and infantry units to repel the counterattacks of the guerrillas, who, commanded by M-19 Chief Carlos Pizarro Leongomez, have the support of Peruvian, Venezuelan, Ecuadoran, Panamanian, and Nicaraguan insurgents.

There are additional Army activities in areas such as Alto Sinu, on the border between the Departments of Antioquia and Cordoba, in the northwestern part of the country; lower San Jorge in Cordoba, Arauquita and Saravena in Arauta, Trujillo, and Roldanillo in Valle, and Tibu in northern Santander, where guerrillas of the Popular Liberation Army (EPL), the National Liberation Army (ELN), the M-19, and the pro-Indian group "Quintin Lame," ambushed military patrols causing a considerable number of military and rebel casualties.

Finally, it was learned that the military men wounded and killed in the clashes in Paez, Cauca Department, were transported by helicopter to the installations of the 9th Brigade in Neiva, southwest of Bogota, because that region is nearer Cauca, the scene of the clashes.

Regarding the ELN attack on the Army communication tower on La India Hill, Tibu Municipality, in northeastern Santander Department, it was reported that three guerrillas died and at least three soldiers were wounded during the attack.

ISRAELI DEPUTY FOREIGN MINISTER MEETS PRESIDENT

PA271447 Quito Radio Quito in Spanish 2300 GMT 26 Aug 86

[Text] Roni Milo, deputy foreign minister of Israel, is visiting here. At noon he was received by President Leon Febres Cordero and Vice President Blasco Penaherrera Padilla. Later he was received by Andres Vallejo, president of the Ecuadoran Congress. He also talked to Foreign Minister Edgar Teran Teran.

Roni Milo told newsmen that the purpose of his visit to Ecuador is to improve cultural, commercial, and other relations, between the two countries.

AIR FORCE-NAVY MANEUVERS WITH U.S. FORCES BEGIN

PA260435 Quito Radio Quito in Spanish 2300 GMT 25 Aug 86

[Text] The "Blue Horizon" and "Unita" air force and naval maneuvers between Ecuador and the United States officially began today, in a climate of mutual cooperation and friendship.

The naval maneuvers are intended to coordinate defense in case of aggression. Six U.S. Navy units, along with Ecuadoran submarines, Coast Guard units, Navy aviators, and marines are participating in the maneuvers.

The Air Force maneuvers will continue until 5 September and include a U.S. Air Force F-16 squadron and personnel from Taura, Manta, Salinas, and other bases.

FUT SCHEDULES WORKERS STRIKE FOR 17 SEPTEMBER

PA261756 Quito Voz de Los Andes in Spanish 1130 GMT 26 Aug 86

[Text] The United Workers Front [FUT] has scheduled a 24-hour national workers strike on 17 September to protest against regime policies, especially the latest economic measures adopted by the Monetary Board. The strike will demonstrate the strength of the workers and general population and their rejection of the economic measures, the banking sector, and the international monopolies, said Edgar Ponce, president of the FUT. The platform of struggles established by the FUT, along with the call to the strike includes the following points:

Abolishment of the economic measures decreed on 11 August; freezing of the prices of staples, basic services, and rents; rejection of the increase of interprovincial and urban transportation fares; suspension of payment of the foreign debt; attention to the platform of struggles approved on 19 July by the FUT convention; the trial and dismissal of the finance, government, agriculture, foreign relations, and energy ministers; and the elimination of the executing units created by the government.

Ponce also announced that the FUT will send a commission before the Constitutional Guarantees Court today to request that the latest economic measures be declared unconstitutional, and before the National Transportation Commission on 28 August to seek to prevent the increase of urban transportation fares. On 3 September there will be a march to the Parliament.

FOREIGN SECRETARIAT ON CORTEZ ARREST, INVESTIGATION

PA280418 Mexico City Red Nacional 13 Imevision Television in Spanish 0320 GMT 28 Aug 86

[Text] The Foreign Relations Secretariat has responded to the protest presented by the U.S. Embassy in relation to what it termed the illegal arrest and mistreatment of DEA agent Victor Cortez.

The Secretariat explains that Victor Cortez was assigned to the U.S. General Consulate in Guadalajara, and he was issued credentials for this purpose. It adds that his reponsibilities were limited to the exchange of information with the Office of the Attorney General in matters related to the struggle against drug trafficking. It notes that on 18 August Victor Cortez was arrested with Antonio Antonio Garate Bustamante, who had a criminal record and who had in his possession weapons reserved for the use by the Armed Forces. At the time of his arrest Cortez had neither his credentials nor his identification card with him.

In regard to the injuries and mistreatment, the Secretariat has ordered an investigation; it has been documented that he suffered only minor bruises. Moreover, the 11 people involved in the mistreatment of Cortez have been arrested.

The note confirms the firm intention of the government to strengthen cooperation against drug trafficking.

The U.S. Embassy has reported it views the beginning of legal procedures in this case as a positive event.

PERUVIAN PRESIDENT GARCIA TO VISIT IN OCTOBER

FL270328 Mexico City NOTIMEX in Spanish 0022 GMT 27 Aug 86

[Text] Mexico, 26 (NOTIMEX) -- Sources close to the Peruvian Embassy have reported that President Alan Garcia will visit Mexico the 1st week in October and will meet with President De la Madrid.

The sources said the invitation was made by De la Madrid when Garcia visited Mexico to personally present his country's assistance after the September 1985 earthquakes.

Garcia's visit was originally planned for this month; it was postponed due to the crisis Peru experienced after the assassination of the Sendero Luminoso prisoners.

The agenda of the meeting is not yet known, the sources said the conversations may include the foreign debt, bilateral relations, and strengthening Latin American unity.

The sources stressed that Garcia's visit is part of a diplomatic tour that includes attending the Eighth Nonaligned Summit in Harare, Zimbabwe, the UN General Assembly meeting, and a state visit to Egypt.

ESQUIVEL HEADS NONALIGNED SUMMIT DELEGATION

PA261946 Panama City LA REPUBLICA in Spanish 25 Aug 86 p 1

[By Luis Restrepo Rosas]

[Text] Vice President Roderick Esquivel will head the delegation to the Nonaligned Movement meeting taking place in Zimbabwe, Africa, this week.

The other members of the Panamanian delegation are: Deputy Foreign Minister Jose Maria Cabrera, alternate UN Ambassador Leonardo Kam, Major Luis Samudio of the Defense Forces, and PRD [Democratic Revolutionary Party] Secretary General Carlos Ozores.

Panama is a member of the Nonaligned Movement, which was founded by late President Tito of Yugoslavia along with Presidents Nasser of Egypt, Nehru of India, and Sukarno of Indonesia. In 1975 Omar Torrijos Herrera, who was then the head of the Panamanian Government, attended the Nonaligned Movement meeting held in Sri Lanka. It was at this meeting that he made the famous statement: "The missile that can destroy an ideal has not yet been invented," referring to the Panamanians' permanent struggle to recover full sovereignty over their territory.

At the meeting in Harare, capital of Zimbabwe, the delegation -- in which Vice President Esquivel will represent President Eric Arturo Delvalle -- will reiterate the effort to recover the Canal in accordance with the clauses of the Torrijos-Carter treaties, with the total fulfillment of the treaties within the time left for the interoceanic canal to be returned to Panama.

MATUTINO: U.S. AMBASSADOR DOES 'NOT FIT IN'

PA261630 Panama City MATUTINO in Spanish 26 Aug 86 p 4-A

[From the "Moyolandia" column by Harmodio Icaza: "Tuesday Notes"]

[Excerpts] Relations with the United States have not improved with the arrival of Ambassador Davis. On the contrary, there are reasons to believe that they are in fact deteriorating. Evidently, the ambassador's Paraguayan ways have not fit in well here.

Meanwhile, some officials in the U.S. Department of State and other U.S. Government agencies believe they are tougher cowboys than Reagan and that things can be done at gunpoint; this is causing friction.

CANAL ADMINISTRATOR'S POWER VIEWED AS THREATENED

PA262131 Panama City CRITICA in Spanish 26 Aug 86 p 1

[Article by Euclides Corro]

[Text] Talking to CRITICA, members of the Panama Canal Commission Board of Directors yesterday confirmed that there is indeed a U.S. "plot" to curtail the authority of the administrator who will be appointed in 1990 on behalf of our country to head that Canal company.

The Panamanian board members will discuss this situation and other violations of the Torrijos-Carter Treaties during the next meeting in October, "because we will not stand idly by in the face of these abuses," our source said.

He added that "indeed we are concerned over the fact that many directorates of the Panama Canal Commission are solely in the hands of U.S. citizens and that Panamanians are not being appointed or promoted to those positions."

He also confirmed that "on many occasions, the U.S. Administration preferred to eliminate the posts of deputy directors rather than appoint Panamanians."

Regarding the case involving the Marine Division, another of the directors noted that "it is advisable that Panamanians be trained so one of them may be appointed as deputy director as soon as possible, because that division handles the training of 'Panamanian pilots'."

At present, only 29 pilots out of 270 working at the Panama Canal Commission are Panamanian citizens.

It was noted that the attempt to grant autonomy to other directorates within the Canal Commission "could be a means to curtail the administrator's authority when a Panamanian takes over."

Another of the charges mentioned by the directors involves Section No 1106 of Law 96-70 which establishes the post and duties of a chief engineer with the same rank of a deputy administrator.

The U.S. President will decide the functions of this chief engineer, who is yet to be appointed. It is logical to think that the appointment will be made when a Panamanian administrator is appointed solely to curtail his authority.

In conclusion, they concurred that "on one hand, the goal is to have more executive positions for Panamanians, but on the other hand, every time there is a vacancy, instead of conducting internal examinations, U.S. citizens residing in the United States are given the opportunity to apply by announcing that they will receive a percentage additional to their wages, free utilities, housing, and trips for them and their families."

BRIEFS

SWISS ENVOY LEAVES -- His Excellency Francois Nordmann, the Swiss ambassador to Panama with his main office in Guatemala, visited President Eric Arturo Delvalle after completing 2 years of fruitful work for the benefit of friendly relations between the two countries. [Summary] [Panama City LA REPUBLICA in Spanish 22 Aug 86 PA]

COSTA RICA

ARIAS DISCUSSES CONTADORA, CONTRA PRESENCE

PA272139 Paris AFP in Spanish 1907 GMT 27 Aug 86

[Text] Bogota, 27 Aug (AFP) -- President Oscar Arias said today that there are some 125,000 Nicaraguans in his country whom he considers an obstacle to the nation's social and economic stability. "These Nicaraguans, many of them contras, are probably the main obstacle we have in achieving the reactivation of our economy," Arias said in a telephone interview with the Bogota Emisoras CARACOL Network.

He said that [words indistinct] "a few of them are refugees who are being helped by public and private international agencies. The rest are undocumented people fleeing their country because they refuse to live under the Sandinist regime." Arias described these Nicaraguans as "people who cannot find a job, who are going hungry, and who are in search of new opportunities. That is why they cross the border."

"They are a serious problem for the Costa Rican people, and that is why we are interested, more than anyone else, in an end to the war in Nicaragua. We hope for the consolidation of Central American peace through dialogue in the Contadora Group," he said.

"Costa Rica reiterates once more that it rejects violence and hopes for the success of the Contadora talks to achieve a negotiated solution in the Latin American area," Arias said.

The Costa Rican president also said that his foreign minister, Rodrigo Madrigal, will visit Bogota this weekend to meet with his Colombian counterpart, Julio Londono, to prepare for a future Contadora meeting. "Costa Rica is pleased to find that it agrees on many points with Colombian foreign policy; we hope to continue the struggle to see if one day we can bring peace to Central America," he said.

Going back to the issue of the Nicaraguan contras, Arias said: "Any contra engaged in military activity will be expelled if captured. We have already expelled several of them," he said. "We have also removed from their jobs, no matter what their rank, those Costa Ricans who have cooperated with the contras in military activities that may threaten our democracy," he warned.

"Believe me, Costa Rica and President Oscar Arias have committed themselves to the entire world and especially to nine Latin American presidents to keep Costa Rica neutral and removed from the warmongering affairs of the region," he said. "We are in favor of democracy. We identify with the Western world's pluralism, and in the East-West fight we favor the West. Any other statement is unfounded," Arias said.

GARRON REPORTS U.S. ARMY ENGINEERS TO ARRIVE

PA270449 Panama City ACAN in Spanish 0035 GMT 27 Aug 86

[Text] San Jose, 26 Aug (ACAN-EFE) -- Security Minister Hernan Garron Salazar said today that in January 180 U.S. military engineers will arrive in Costa Rica to participate in civic work. Garron said that the U.S. personnel will work with Costa Rican civilian police in the construction of two bridges in the region of Quepos, 200 km south of San Jose.

In addition, the U.S. engineers will carry out other civic works in the same area, such as the repair of schools and community installations. Garron did not mention the exact date of the arrival of the U.S. engineers or specify how long they will remain in the country.

Some 160 U.S. military engineers were in the southern part of Costa Rica between February and April 1986. During their stay they built a Bailey bridge and repaired another four bridges.

EL SALVADOR

DUARTE STRESSES IMPORTANCE OF DIALOGUE

PA271456 Guatemala City EL GRAFICO in Spanish 26 Aug 86 p 5

[Text] In reference to the next meeting with guerrilla representatives in Mexico City, Salvadoran President Jose Napoleon Duarte has said that with this he is carrying out a peace policy of which dialogue is an instrument.

He said: This is why I cannot understand why the Nicaraguans do not want to talk with the contras, although they are their enemies.

He stressed that he will sit down and talk with the kidnappers of his daughter because he feels that dialogue is a necessary instrument in seeking peace. His efforts are aimed at this.

Duarte also said that no pact with the guerrillas exists and added: However, an honest proposal has been presented by the government, saying that El Salvador is undergoing a change, it has changed, and it will continue to change.

In order to achieve this, however, it is necessary for all sectors to join the democratic process wanted by all peoples. This is what Guatemala wanted, and this is why the people cast their votes, to change the country's situation.

Regarding some observers' descriptions of the government-guerrilla meeting as a partial success, President Duarte said that the fact that the dialogue will be held and that a date for it has been set defines the situation completely.

He said that this is the first step in the process. Another meeting will be held later to address details.

FMLN-FDR SAYS GOVERNMENT 'ENDANGERING' TALKS

PA280315 (Clandestine) Radio Venceremos in Spanish to El Salvador 0145 GMT 28 Aug 86

[Communique issued by the FDR Executive Committee and the FMLN General Command in El Salvador; dated 27 August]

[Text] Immediately following the agreement reached in Mexico City between our front and the Salvadoran Government to choose the city of Sesori, in San Miguel Department, as the place to hold the third round of talks, the following events have happened:

1. The government Army has militarized Sesori and is carrying out repressive actions against the civilian residents in the area;

2. The government's spokesman, Rodolfo Castillo Claramount, in contrast with the reasons we chose Sesori -- where there are no permanent Army positions, repressive forces, or organized civil defense groups -- as the venue for the third meeting and not Berlin, San Miguel or Gotera, has indicated that there can and undoubtedly will be the required and necessary military security to hold the talks in the places agreed upon and that this is the responsibility of the government and the Armed Forces;

3. The culture and communications minister, Julio Adolfo Rey Prendes, who headed the government delegation to the Mexico preparatory talks, has said that a definitive agreement was reached and that this agreement is not subject to the results of the upcoming preparatory meeting. This is not true, because we still have to reach agreements on important points such as the agenda, the truce, the participation of observers, and security in order to hold the third round of talks;

4. The government, with propagandistic intentions, is taking officials and the media to Sesori to review the community works that should be carried out. This is happening at this moment, when a national transportation stoppage has been decreed by the FMLN and when the government is also carrying out military operations in the area.

Based on the preceding facts, the FMLN states:

A) In the above described military situation, we believe that the propaganda and the press activities which the government is implementing in Sesori are not right and are very dangerous.

B) The date for the meeting is not definite until we reach an overall agreement, which should be discussed in the coming preparatory meeting to be held during the first 15 days of September. The place for the meeting is not confirmed until the government and the Armed Forces respect the demilitarization of the area.

C) The FMLN is maintaining its military operations plan. The national transportation stoppage will continue within this framework if the government's Army continues its military operations in several parts of the country. This situation will remain as it is until the two sides agree to a national truce that will permit the holding of the third round of talks.

D) The government's actions are endangering the Mexico City agreements and seek to hinder the third round of talks. Nevertheless, the FDR-FMLN reiterate their willingness to hold a dialogue and that they will attend the second preparatory meeting to review this entire situation.

[Signed] El Salvador, 27 August 1986.

FDR Executive Committee.

FMLN General Command.

BLANDON VISITS PERQUIN, MEETS REPORTERS

PA270450 San Salvador Radio Cadena YSU in Spanish 1948 GMT 25 Aug 86

[Report by Francisco Espinoza]

[Excerpts] YSU listeners, this is a special report from the eastern area of the country.

Today the Armed Forces carried out combined civic activities in Perquin, in war-torn Morazan Department. General Adolfo Blandon, chairman of the Joint Chiefs of Staff, and other high-ranking military authorities were present for these activities. [passage omitted] The following are statements by Gen Blandon during a news conference with local and foreign correspondents in Perquin.

[Begin recording] [Reporter] The Armed Forces and the insurgents have been fighting over Perquin for a long time. What does your presence here represent? What meaning does it have in the development of the war or the development [words indistinct]?

[Blandon] This is an operation that is being carried out under the name of "23 October Heroes." This is the second phase of the operation. The first phase was carried out about a month and a half ago. It is part of a military plan drafted at the beginning of this year by the Joint Chiefs of Staff. The plan is aimed at keeping the area of Perquin, which has endured constant terrorist actions, under the control of the Armed Forces. We undertook a very important tactical operation, and it has yielded very good results. The terrorist groups that operated in this area have been forced to disperse. According to the information I have received from the commanders, the terrorist groups have dispersed, and only small groups remain. These small groups are of no tactical importance in the operation we have undertaken in the area. The operation has yielded very good results, and we hope to maintain our presence in the area.

[Reporter] [Words indistinct] Joaquin Villalobos, one of the strongest Marxist leaders and a leader of the groups that are up in arms, held a news conference not far from where you are sitting. If the new round of talks is held and Joaquin Villalobos sits facing you and the representatives of the civilian government, will he have the same negotiating power he had last year when he held that news conference, or has there been a substantial change in the balance of power?

[Blandon] The balance of power has shifted substantially. I do not feel they now enjoy the same situation they enjoyed in Ayagualo or La Palma. They are weak. The number of terrorists throughout the country has decreased noticeably. They are facing deep ideological problems and serious problems with the [word indistinct] of their soldiers [efectivos militares]. Regarding their military situation in terms of this round of talks, I feel that militarily it is not good.

[Reporter] What is the Army's opinion of this? If you are winning the war and the situation is favorable for you, why would you sit down to negotiate?

[Blandon] Because we are a professional Army and a professional Armed Forces. We are men who have fought for more than 6 years. We are prepared for war. We are experienced. However, this does not mean that we are not reasonable. Our people have suffered and endured a 6-year war, and we must give them peace. We must do our share to give them peace. While Joaquin Villalobos is announcing that the war will be expanded throughout the country, the Armed Forces is announcing a peace plan for everyone. The Armed Forces is announcing the "United To Rebuild" plan, which is quite different from Joaquin Villalobos' plan that calls only for death and destruction. We are announcing a plan that will return the displaced people to their homes, rebuild the homes destroyed by violence, and return calm, peace, and work to all Salvadorans.

[Reporter] How much medicine did you distribute here today? Where did it come from?

[Blandon] I cannot say how much medicine we are distributing, not in amounts. This aid is coming from the various ministries and from international aid.

[Reporter] General, how long will the troops remain in this area?

[Blandon] That will depend on the development of the operation. I have not held a final meeting with the commanders leading the various groups. After this news conference I will meet with them, and we will decide on this matter.

[Reporter] General, there seems to be a trend [words indistinct] several proposals made by [words indistinct] leftist groups and lately also (?bombarded) by the Catholic Church. If the search should turn up obstacles, should a way to soften this [word indistinct] position be sought and [words indistinct] to hold a dialogue with the rebel groups? What is the Army's position?

[Blandon] That would have to be studied by the government. Domestic and international policies are directed by the president of the Republic. Therefore, to amend the Constitution it is necessary for two constituent assemblies to approve these changes. If other mechanisms are sought and the Constitution can be amended without going through this procedure, then the Supreme Court of Justice or any other government organization can amend it. [sentence as heard] Militarily, I cannot give you a specific answer.

[Reporter] [Question indistinct]

[Blandon] That is absurd, totally absurd. It is one of the positions that must be changed if they really have the political will for dialogue to achieve peace and reach a positive [word indistinct] through the dialogue.

[Reporter] [Words indistinct]. There are two positions: The government insists that the rebels must lay down their weapons, and the rebels speak of [words indistinct] two armies. [Sentence indistinct].

[Blandon] The president of the Republic was chosen by the people during an election you all witnessed. He was chosen freely, and the Constitution does not allow him to share power. It is totally illogical for an armed group to try to get a share of power through (?rifles) and [words indistinct]. If they want a share of power they must [words indistinct] in Perquin; they must fight us politically. The Constitution allows them to do this.

[Reporter] [Words indistinct] the FDN and the various groups fighting against the Managua regime [words indistinct] cut the flow of weapons coming from Nicaragua for the Salvadoran guerrillas. Has this ended [words indistinct]? Is there any truth to reports that the Salvadoran Army could help the anti-Sandinist guerrillas with training or advisers?

[Blandon] We have been enduring the effects of the Sandinist support for (?our terrorists) for more than 6 years. We all know that the terrorists have been trained, armed, [words indistinct] from Managua. However, the Salvadoran Army has not talked about how, at any given time, we could support (?a force) that helps the anti-Sandinists. [end recording]

REBELS OCCUPY ROADS IN SAN MIGUEL DEPARTMENT

PA261415 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 26 Aug 86

[Text] At 1400 on 24 August guerrilla units of the Commander Gonzalo Southern Group, carrying out orders from the FMLN General Command to stop the circulation of vehicles, occupied a sector of the Coastal Highway near El Capulin, Chirilagua municipality, San Miguel Department. During the 5 hours they were in control of the highway, the guerrilla units set up two roadblocks, destroyed five power pylons, and distributed propaganda. The enemy never showed up.

During the night of 24 August another guerrilla unit of the Rafael Arce Zablah Brigade and clandestine units of the Commander Gonzalo Southern Group seized control of another sector of the Coastal Highway, near the village El Corral, in Chirilagua municipality. Our units destroyed seven power pylons in continuation of the campaign to destroy the Duarte regime's war economy.

GUATEMALA

AZCONA, DUARTE VISIT, VIEW C.A. SITUATION

PA270026 Panama City ACAN in Spanish 1950 GMT 26 Aug 86

[By Alberto Flores]

[Text] Guatemala, 26 Aug (ACAN-EFE) -- In Guatemala today Salvadoran President Jose Napoleon Duarte and Honduran President Jose Azcona Hoyo talked about guerrilla activities and their consequences for Central America. The two presidents are in Guatemala to participate in a convention of the Pan-American Federation of Engineering Societies which began its working meetings today.

During a news conference, Duarte Azcona agreed that "the Central American conflict can be solved only by Central Americans with the political will to understand that peace can be attained solely through a democratic process."

The suit presented by Nicaragua at the International Court of Justice [ICJ], in which Nicaragua accuses Honduras and Costa Rica of supporting U.S. plans for intervention, was described by Duarte as "thoughtless and inadmissible." Duarte said: "Above all, this thoughtless attitude of the Nicaraguan Government is inappropriate, because at the Esquipulas summit on 24 and 25 May the five Central American presidents spoke frankly and decided to continue the dialogue."

Azcona Hoyo denied Nicaragua's accusation that "Honduras is occupied by U.S. military interventionist forces." President Azcona said that the presence of U.S. military advisers in Honduras does not represent intervention, because they have always been there, as they have been present in many other Central American countries and the rest of the world.

Asked whether Honduras is getting ready to match its forces with those of Nicaragua, Azcona said: "An arms race is not beneficial for the people, and Honduras is not involved in one." Regarding the number of soldiers in the Honduran Armed Forces, Azcona described the Armed Forces as "a very conscientious body, composed of some 15,000-17,000 men, including the police force."

He added that "this year, very few U.S.-Honduran military maneuvers have been carried out." He explained that most activities were limited to works to benefit the Honduran people, including the construction of nonstrategic roads.

In other statements to the press, President Duarte revealed that "5 years ago, Nicaragua gave 100 tons of weapons to the Guatemalan guerrillas to destabilize the military government of Fernando Romeo Lucas Garcia."

"The Sandinist government is subordinated to the interests of the communist countries, which want to expand their Marxist philosophy through all of Central America," Duarte said, adding: "The Sandinists are playing their East-West cards." Duarte asserted that "the Sandinists do not find a solution to their internal problems because they have a totalitarian, aberrant system, which permits no criticism." He gave as an example of this the closing of the Nicaraguan newspaper LA PRENSA.

For the Salvadoran president, the freedom of the press example is sufficient "when one compares the censorship that exists in Nicaragua with the free criticism that appears every day against the other area governments." Then he wondered: "If internally Nicaraguans are trying to blame the U.S. people, the Catholic Church, and all those who opposed their decisions, how will they reach an understanding with countries that want to consolidate a pluralist and democratic government?"

Duarte accused Nicaragua of being "a bridge for the support that the Guatemalan and Salvadoran guerrilla movements receive from the rest of the communist countries." He said that "so long as there is a communist government in Nicaragua, there will always be problems in Central America."

Duarte on Democratic Process

PA270403 Guatemala City EL GRAFICO in Spanish 26 Aug 86 p 2

[Text] Guatemala City, 26 Aug -- Salvadoran President Jose Napoleon Duarte has said: Only Central Americans can understand Central America's problems. With political willingness, all must understand that only through a democratic process is it possible to achieve peace.

He said that he is concerned about Nicaragua's puzzling actions and rash stance. Nicaragua does not seem to understand that only through the joint work of the five countries can a solution be attained.

Duarte added that for this reason Nicaragua's accusing Costa Rica and Honduras at The Hague International Court seems entirely improper to him. He said that this is particularly true after the Esquipulas meeting where the two sides spoke frankly about their continuing to talk.

Duarte also said that after all the efforts made by the vice presidents to create a Central American parliament, Nicaragua has now assumed an entirely thoughtless posture and has sued two Central American countries.

Duarte yesterday dismissed any possibility of combining his country's national Army -- to form a single armed body -- with the rebel groups that fight against his government, as the guerrillas have demanded to conclude a peace pact.

Duarte made these remarks in Guatemala City when attending the opening of UPADI [Pan-American Federation of Engineering Societies] 1986 convention.

The Salvadoran president described the rebels' proposal as "an absurd idea" and said that this was an insurgents' strategy to hold his government responsible for an eventual failure of the current negotiations. Duarte said that several factors determine his posture as opposed to the guerrillas' proposal. "They want a state within a state. This is impossible and unconstitutional."

Duarte Denies Trade Restrictions

PA270353 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 26 Aug 86

[Text] Salvadoran President Jose Napoleon Duarte today dismissed the possibility of his government's imposing trade restrictions on Guatemala, as was reported some days ago.

[Begin Duarte recording] Vinicio Cerezo spoke to me over the telephone precisely about what you have mentioned. I told him that so far we had not given thought to any type of retaliation. We have been trying to solve problems. There are always problems, of course. We have always tried to solve them through understanding. This is why I told him to stop worrying; such a thing would not happen. We would not close the border.

I also told him it would be better if the economy minister and the Central Bank president met to discuss these matters that affect both Guatemalan and Salvadoran industries. The Guatemalan farmers who sell produce worth $90 million yearly to El Salvador would be harmed. We do not want this to happen. We want to achieve sensible solutions through understanding for the good of Guatemala, El Salvador, Honduras, and even Nicaragua. All these countries can try to find economic, political, and social solutions that lead to peace. This is the way to peace and understanding. [end recording]

AZCONA MEETS WITH U.S. OFFICIAL WALKER

PA271603 Tegucigalpa LA TRIBUNA in Spanish 27 Aug 86 p 7

[Text] Tegucigalpa, 26 Aug (AFP) -- President Jose Azcona and William Walker, U.S. deputy assistant secretary of state for Central America, met today to analyze the regional crisis, official reports have indicated. Walker's visit coincides with the arrival in Tegucigalpa of Arturo Cruz and Alfonso Robelo, the leaders of the Nicaraguan Opposition Unity (UNO), Frank Arana, FDN spokesman in Honduras, told AFP.

Walker is the assistant to Elliott Abrams, assistant secretary of state for inter-American affairs, a key official in the U.S. approval of the $100 million for the Nicaraguan contras.

Along with Secretary of State George Shultz, Abrams also decided on the surprising removal of former Ambassador to Honduras John Ferch, because it was considered that he would not be effective for the implementation of the program for the anti-Sandinist rebels.

According to local news media, Walker reportedly contacted Cruz and Robelo, but Arana said that he was unaware of such a possibility. Meanwhile, a U.S. Embassy spokesman told AFP that he "knows nothing" about the alleged meeting between Walker and the UNO leaders.

Regarding the meeting between President Azcona and Walker, the spokesman said they discussed "bilateral topics," not mentioning any specifics. Walker said only that "we had a conversation on many topics," and when asked about the channeling of the aid to the rebels said only: "No comment."

On his part, a government house spokesman told AFP that during the dialogue they discussed "issues of national and regional interest." Walker's visit comes a few days after President Azcona and General Humberto Regalado, commander of the Honduran Armed Forces, said that they will not permit the training of contras in Honduran territory or the passage of the aid to the rebels through the country.

REGALADO COMMENTS ON CONTRA AID DISTRIBUTION

PA260427 San Pedro Sula TIEMPO in Spanish 25 Aug 86 p 2

[Text] San Pedro Sula -- General Humberto Regalado Hernandez, commander of the Armed Forces, has said that the United States will respect Honduras' sovereignty, as manifested by its decision not to allow the delivery of the military and economic supplies to the contras, and to prevent their training in [Honduran] territory.

Regalado had previously said that the Green Berets will not be allowed to train the contras in Honduras; the transit of supplies coming from the $100 million approved by the U.S. Congress for the Nicaraguan rebels will not be permitted, either.

Regalado refused to comment on the mechanism the Armed Forces will actually use to enforce this decision and to prevent the provisioning of the contras through Honduras.

He said: "This will not be allowed " "At least, we, the Armed Forces, are not willing to train the contras."

Regarding the possibility that the Reagan government may exert (economic) pressure to try to weaken the position of the government of [President Jose] Azcona and of the Armed Forces, Regalado did not say how they plan to face this kind of situation. "I do not believe that will happen. This would be an act against our sovereignty, and I believe that the United States will respect it," he said, but he admitted that it is possible this could happen.

Commenting on this possibility, he said: "This would be an act that would lead us to a situation similar to the one we had with El Salvador."

It was not possible to determine whether he was referring to the 1969 war or to later times, when U.S. advisers trained the Salvadoran Army in Puerto Castilla.

Moreover, Regalado reiterated that the Armed Forces "are concerned" about the conflict between the ASU [not further identified] and the National Agrarian Institute (INA) union and its director. He said this situation has its origins outside the borders.

"It is a movement supported by Nicaragua aimed at destabilizing the country. Nicaraguan Marxists have infiltrated the organizations," he said, adding: "Honduras represents a problem for them, because it is an example of democracy, and Nicaragua is determined to export its system to its neighbors."

TIEMPO asked Regalado if this situation could bring a change in the position of the Armed Forces regarding the contras.

He said: No, we support the decision the president has taken. Azcona Hoyo defines both the foreign and domestic policies, and if he believes it necessary to make any changes, the Armed Forces will support him.

Regarding the item published in the Armed Forces magazine linking newsmen and directors of the media to "subversion and communism," he said that the article was misinterpreted. What happened, he said, is that it was related to the case of Uruguay, where "the Tupamaros and the press were involved in subversive matters."

"The Armed Forces did not authorize the commander who wrote the article to write it, and does not share the views of the magazine." By the way, he said, "this magazine is not the official mouthpiece of the Armed Forces, and we do not believe that the local media are subversive or are being influenced by communism," he said.

NICARAGUA

COMMUNIQUE ANNOUNCES ORTEGA DEPARTURE FOR HARARE

PA252343 Managua BARRICADA in Spanish 25 Aug 86 p 5

[Communique No 28 issued by the Presidency's Information and Press Directorate in Managua on 24 August]

[Text] The Directorate of Information and Press of the Presidency of the Republic hereby reports that President Daniel Ortega Saavedra, commander of the revolution, is to depart, heading a government delegation to attend the Eighth Nonaligned Summit in Harare, Zimbabwe where more than 70 world chiefs of state will gather.

This trip is especially important for Nicaragua because President Ortega will have the opportunity to reaffirm and defend the principles of nonalignment and to explain the peaceful position that inspires Nicaragua's foreign policy to the conference. Ortega will also accept invitations for official visits to Yugoslavia, Burkina Faso, Ghana, Congo, India, the PRC, the DPRK, and the GDR, countries with which Nicaragua has close ties of cooperation and friendship.

During the president's absence and according to the law, Vice President Sergi[illegible]rez Mercado will assume his duties.

Managua, 24 August 1986

Twenty-five years later, all weapons against aggression!

Directorate of Information and Press of the Presidency of the Republic

Visits Burkina Faso

For coverage of the visit by President Daniel Ortega to Burkina Faso, see the West Africa section of the 28 August Middle East & Africa DAILY REPORT and subsequent issues.

ARCE HEADS FSLN DELEGATION TO SPD CONGRESS

PA252324 Managua BARRICADA in Spanish 23 Aug 86 p 1

[Communique issued by the Secretariat of the FSLN National Directorate in Managua on 23 August]

[Text] The Secretariat of the FSLN National Directorate reports that:

Commander of the Revolution Bayardo Arce Castano, vice coordinator of the National Directorate's Executive Commission, heads the FSLN delegation that will attend the FRG's Social Democratic Party of Germany [SPD] congress to be held from 25 to 29 August.

The delegation is also made up of Jose Pasos, deputy chief of the FSLN's International Relations Department, and Herberto Incer, the Nicaraguan ambassador to the FRG.

Secretariat of the FSLN National Directorate

Managua, 23 August 1986

Twenty-five years later, all weapons against aggression

MALMIERCA PRAISES NONALIGNED SUMMIT DRAFT

FL270226 Havana Television Service in Spanish 0000 GMT 27 Aug 86

[Statements by Foreign Minister Isidoro Malmierca; date and place not given -- recorded]

[Text] We have studied the documents prepared by Zimbabwe to draft the declaration of the Eighth Nonaligned Summit, and we have evaluated it as a very positive document that, in our opinion, unites all the necessary elements to allow the declaration to serve the principle goals of the movement. The document makes references, which we consider to be generally correct, to the principle problems of the current international situation and places special importance to the struggle for the deferse of peace, the need to link disarmament efforts with development efforts. It also lends special importance to the necessary struggle to eliminate the apartheid regime and achieve Namibia's independence. Reference is also made to practically all the current world situations. In the Latin American and the Caribbean section, there is a paragraph we believe correctly evaluates the situation in our area. In brief, we believe the draft declaration is a useful basis that will allow advancement at the conference.

Document Refers to Guantanamo

PA262134 Havana International Service in Spanish 0000 GMT 26 Aug 86

["Note," read by Norberto Hernandez]

[Text] The press has learned that the Eighth Nonaligned Summit, which is to begin shortly in Harare, will renew the demand that the U.S. Naval Base in Guantanamo be dismantled. For the past 25 years, since the birth of the Nonaligned Movement in Belgrade, each of the group's summit meetings have demanded the unconditional withdrawal of that Yankee military enclave, which is viewed as being highly harmful for territorial integrity and sovereignty. The paragraphs including the demand are part of a document which expresses opposition to all foreign military installations. The heads of state and government present in Harare will review this document. It will then be included in the conference's final declaration. In addition, the draft document rejects the economic embargo imposed by the United States on Cuba for almost a quarter of a century. It demands that Washington pay an indemnity for the material damage caused by this arbitrary action. These views, which aim to defend the fundamental rights of the Cuban people as well as the rest of the Third World nations in the face of imperialist arrogance, take on a special meaning following the report from Washington that the Ronald Reagan government has decided to intensify the economic embargo, and increase its watch on U.S. citizens who wish to visit here. The Nonaligned Movement's support for the Cuban demands -- prompted by the presence of Guantanamo base -- constitute a strong encouragement for our people. This indicates that reactionary forces are no longer able to handle international relations however they wish. Harare will be a new podium of solidarity with the nation that is hoisting the banners of dignity and revolutionary principles under the noses of the northern empire.

BOUTERSE DENOUNCES ATTACKS AGAINST PROCESS

FL251537 Mexico City NOTIMEX in Spanish 0142 GMT 24 Aug 86

[Text] Paramaribo, 23 Aug (SNA-NOTIMEX) -- Suriname's Commander of the Revolution Desi Bouterse has charged that the struggle of criminal bands is not against his Army but against the ideas of the revolutionary process and against the awareness that the people have begun to gain.

The revolutionary chief's denunciation was made following an attack against a military patrol on 21 August, during which four soldiers were killed, five wounded, and several disappeared.

During a meeting of the 25 February Movement, an organization which supports Bouterse, its members called for Prime Minister Pretaap Radhakishun to adopt measures directed at making the Governments of France and the Netherlands stop the aid being given by foreign forces to the Brunswijk band and to end the operations of the band on territory of French Guiana.

Crisis Team Considered

FL272108 Paramaribo International Service in English 1730 GMT 27 Aug 86

[Text] At a closed door meeting of the national assembly, Chief of Staff of the National Army (Ivan Hanoff) and Prime Minister Pretaap Radhakishun informed members of the situation in the Marowijne which led to the death of four soldiers last week. At the meeting it was disclosed that the government was busy with the formation of a crisis team on which the national assembly was asked to nominate two members.

The national assembly is said to be considering the proposal.

In the meantime, a public meeting of the national assembly to discuss the affair in East Suriname has been cancelled.

New Actions Denied

FL272144 Paramaribo International Service in English 1730 GMT 27 Aug 86

[Text] Rumors about new actions in the Marowijne area yesterday have been denied by the SURINAME NEWS AGENCY.

Director of the Department of Peoples' Mobilization Lieutenant (Lawren Slater) said that malicious rumors are being spread in order to create confusion among the people in the country. He disclosed that the people who are engaged in this type of activity are being sought after.

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GOVERNMENT DECREE ORDERS STATE OF SIEGE

PY281325 La Paz La Red Panamericana in Spanish 1130 GMT 28 Aug 86

["Text" of Decree 21,378 issued on 27 August; read by Minister Secretary of the Presidency Juan Carlos Duran -- live]

[Text] Whereas, after a careful socioeconomic analysis, which took into account proposals from several organizations, the government designed a plan to overcome the crisis caused by hyperinflation.

Whereas this plan establishes -- among other measures -- the unpostponable need to reactivate the state-owned mining sector, which has been affected by serious managerial imbalances and by a price slump, especially the unprecedented collapse of the tin market.

Whereas this unpostponable decision by the executive branch has been met by illegal general strikes, movements that paralyzed the cities of Oruro and Potosi, destruction of railroad tracks, assaults on state-owned property, seizure of mines, disrespect for the authorities, and threats to aggravate the conflict through the displacement of marchers to the city of La Paz.

Whereas the objectives of the march -- to which the government has agreed as it was initially supposed to be a peaceful demonstration -- as been distorted by the political maneuvers of extremist groups, which have promoted a violent insurrection to discontinue the Bolivian democratic process.

Whereas the situation violates the Constitution, jeopardizes social peace and tranquillity, and creates an atmosphere of violence of unpredictable consequences.

Whereas Articles 111 and 112 of the Constitution empower the executive branch to declare the state of siege to preserve order and social peace, the president of the Republic, with the approval of the Council of Ministers, hereby decree:

Single Article: The state of siege is hereby declared throughout the entire Bolivian territory. The interior minister shall enforce this decree.

Signed at Government House in La Paz on 27 August by Victor Paz Estenssoro and by the Cabinet members.

Arrests Begin

PY281457 Paris AFP in Spanish 1305 GMT 28 Aug 86

[Text] La Paz, 29 Aug (AFP) -- After a long meeting of Cabinet ministers and high-ranking military commanders, the government has declared a state of siege to counter the serious political and social crisis that is shaking the country. This has been officially announced in La Paz. The Information Ministry released today the text of Decree 21,378 whereby measures with which the government expects to secure social peace are adopted. The government asserts that public order is being disturbed by a march of 6,000 miners, women, youths, peasants, students, and politicians that is heading to La Paz.

In addition to declaring the state of siege, the authorities have ordered the arrest of labor and political leaders, journalists, and other personalities in the cities of La Paz, Oruro, Cochabamba, Santa Cruz and Sucre. Among the detainees are Aldo Flores and Jose Maria Palacios, leaders of the Bolivian Labor Confederation (COB); Andres Soliz Rada, leader of the Journalists Federation and AFP correspondent in Bolivia, and his colleagues Jorge Barrientos and Gonzalo Quiroga; and Jorge Abasto and Flavian Unzueta, leaders of the Factory Workers Union. The residence of Walter Delgadillo, COB Secretary General, was searched. However, since Delgadillo is out of town coordinating a 24-hour strike scheduled for tomorrow, he could not be arrested.

In the last couple of hours, police forces occupied the premises of the Greater University of San Andres and placed guards at public buildings. Military personnel, placed on state of emergency, are patrolling the streets of La Paz, while Air Force planes are making low flights over the city and the so-called March for Life and Peace that is now 100 km from La Paz.

Opposition congressmen told AFP that this executive branch decision is arbitrary, because it not only suppresses freedom of organization and assembly, but it also disrupts the ongoing democratic process.

In recent days unionists and politicians have organized marches and demonstrations against the government, which they blame for the closing of several mining centers and the dismissal of 14,000 workers, the tax policy, and the intervention of U.S. troops in Bolivia.

In the past few hours the Catholic Church proposed a meeting between government officials and labor leaders to seek a solution to the conflict. However, the government did not respond to the bishops' proposal.

Meanwhile, the human rights organizations have expressed concern over what may happen to marchers walking along the Oruro-La Paz Highway, since the state of siege forbids demonstrations, gatherings, and collective actions. The marchers are approaching important military installations.

Barthelemy: March 'Subversive'

PY290335 Madrid EFE in Spanish 0232 GMT 29 Aug 86

[Text] La Paz, 28 Aug (EFE) -- Bolivian Interior Minister Fernando Barthelemy today confirmed the arrest of 161 people as a result of the implementation of the state of siege since early this morning. The list disclosed by the minister during a press conference indicates the party affiliation of those arrested. They include mostly union leaders and members of the Communist Party and the Democratic Convergence.

The long list of arrests in La Paz, Potosi, Oruro, Tarija, Santa Cruz, Trinidad, Sucre, and Cochabamba also includes reporters, university students, one university rector, teachers, two seminarists and a member of the Methodist Church.

The minister said that there is also a list of people being sought for arrest, but he did not say how many.

He indicated that he was not aware if any of the people being sought have taken asylum in La Paz embassies.

Once the people under arrest have been interrogated and a determination made as to the degree of their participation in activities considered by the government to be subversive, they could be banished to places distant from the capital probably in Pando and Beni Departments.

Barthelemy explained that on the first day of the "March for Life ad Peace" conducted by miners from Oruro, which was stopped this morning by security forces, seven boxes of dynamite sticks with detonators and fuses were found and shown to the press. The minister also said that this morning a dump truck on its way to La Paz was intercepted. It carried 30 boxes of dynamite sticks, presumably, according to the minister, to be exploded when the miners arrived in the capital.

The minister also indicated that this morning the Armed Forces had to take control of the streets in Oruro and Potosi because of the chaotic situation and the absence of authority. He also referred to a demonstration "of a violent nature" that took place this morning in the city of Oruro, where a police officer and a university student were wounded. According to Barthelemy, a stick of dynamite exploded in the student's hands.

The determining factor that led the government headed by Victor Paz Estenssoro to decree a state of siege in the predawn hours yesterday was explained by the interior minister, who said that a change in the orientation of the miners march and been detected.

According to Barthelemy the "March for Life and Peace" in the last few days had become a movement that was being used by marginal and radical sectors who planned to arrive in La Paz to create disorders and to try to force--through violence--the resignation of the government.

The interior minister praised the role of the armed forces and police in the operations that they carried out during the first day of enforcement of the state of siege. He noted that civilian agents described as "paramilitary" have not taken part in Armed Forces operations.

About the blowing-up of an antenna and the destruction of Channel 13 television broadcasting equipment, the interior minister said that it is possible this action was perpetrated by agents of the "extreme right." He added that an investigation has been undertaken to determine the responsibility of this attack.

Regarding the situation of those who are participating in the march, Barthelemy noted that they are being gradually transferred in trucks to their places of origin.

He said that legislators, bishops, and members of the Red Cross have been able to cross the cordon that was installed by the armed forces at 0600 and that they have been able to speak with the miners.

Ministry Discovers 'Plans'

PY290355 Paris AFP in Spanish 0314 GMT 29 Aug 86

[Excerpts] La Paz, 28 Aug (AFP) -- Interior Minister Fernando Barthelemy today reported the Bolivian Government has discovered a subversive plan by which the miners from Oruro--after arriving in La Paz--would demand the resignation of President Victor Paz Estenssoro by holding hunger strikes, terrorizing the population and taking over churches. [passage omitted]

The interior minister did not explain how international leftist groups are connected to this plan, but he indicated that there are reports about their influence and about the links between the Shining Path and similar Bolivian organizations.

Asked about the arrests of political, union, civic, and university leaders, and about raids, on union headquarters, Barthelemy said these were preventive measure in the face of possible violence.

He said that there are 162 people under arrest in the country, that they are being held in Interior Ministry jails and that after they are interrogated some of them will be released but others will be banished in accordance with the law.

He indicated that there are warrants for the arrest of other people for their connection with the destabilizing plan that was discovered, and that according to the Constitution, the state of siege will last 90 days.

In relation to the presence of police in the universities the minister said that the police cordoned off the universities to prevent students from conducting demonstrations that might produce clashes and violence on the streets.

The minister also confirmed that the cities of Oruro and Potosi have been militarily occupied because they are out of control, and the legitimate city officials are virtually not recognized by the civic and union committees.

For his part, Information Minister Herman Antelo has said the state of siege is justified because of the destabilizing plans that were to be implemented.

Bolivian Labor Confederation (COB) leaders have announced from Underground that they will continue with the measures of force against the government, such as the general strike and the march for life and that they have requested the Catholic Church to mediate so that the dialogue that has been rejected by the authorities may start. They noted that the marchers have decided to continue their march on the capital and that if they do not, they will stand firm on the highway, in the heart of the Andean plateau.

They requested guarantees for their activities and they demanded the freedom of their leaders, who were arbitrarily arrested without any constitutional grounds.

The main COB leaders who have been arrested are: Jose Maria Palacios, Alfo flores, and Anibal Castanon, from the press federation; Andres Soliz Rada (AFP correspondent); Felipe Tapia, factory workers; Carlos Quiroga, from the Cochabamba Civic Committee; and Luis Fernandez Fajalde, from the Potosi Civic Committee.

Also under arrest are Jorge Trigo, the Cochabamba university rector; and former Education Minister Alfonso Camacho and former Mining and Planning Minister Horst Grebe Lopez.

Lechin Will Return Secretly

PY281737 Paris AFP in Spanish 1606 GMT 28 Aug 86

[Text] Brussels, 28 Aug (AFP) -- A military coup could be staged in the next few hours or days in Bolivia, predicted Juan Lechin Oquendo, Executive Secretary of the COB, in Brussels.

Bolivia, where a state of siege was cleared today, has seen more military coups than years of independence, Lechin said. He came to Brussels at the invitation of the International Conference of Free Trade Union Organizations (Icftuo) to report on the situation prevailing in Bolivia.

The Bolivian Labor leader said the state of siege is a first step, which could be followed by an Armed Forces intervention, and added he will return to his country clandestinely.

According to Lechin, the stage of siege was declared to prevent the arrival in La Paz of the March for Life and Peace being staged by 5,000 miners and their families and joined by priests, peasants, students, political and labor leaders. The marchers are expected to arrive in La Paz this Friday, 29 August, thus ending a 230-km walk from Oruro.

In conclusion, Lechin said that this measure -- which violates the Constitution -- is a blow to the nationals sovereignty and the pride of the people, who believe that the Bolivian Army alone should have been used in the antidrug operation. [sentence as received]

RURAL RADIO REPORTS ON MARCHERS' SITUATION

PY282239 Madrid EFE in Spanish 2141 GMT 28 Aug 86

[Text] La Paz, 28 Aug (EFE) -- Radio Siglo -- broadcasting from the town of Siglo Veinte, in Potosi Department -- has reported that there is tension and anxiety in the mining districts of Oruro and Potosi Departments because of the military cordon that, after the implementation of the state of siege, stopped the "March for Life" only 55 km short of La Paz.

According to reports broadcast by this radio station, the approximately 8,000 workers who were participating in this march have no food or water. This may have negative effects on their health, which in many cases is already impaired after 7 days of forces marched along highland roads.

The radio station reported that miners' wives committees have rejected the exceptional measure that the government approved yesterday and the women are planning to go to La Paz in solidarity with their husbands and sons.

Radio Siglo XX also reported the arrest of four workers of the Catholic Radio station Pio XII, who were reporting developments of the "March for Life" from the village of Calamarca, where the military carried out its actions.

Finally, Radio Sigo XX expressed concern over the silence of Radio San Jose -- a miners' radio station in Oruro -- which failed to respond to Siglo XX efforts to raise it. It is assumed that the Radio San Jose station has been occupied.

Meanwhile, labor movement spokesmen in cochabamba -- 400 km east of La Paz -- have reported the arrest of more than 25 persons and various outrages perpetrated by interior ministry agents today.

The headquarters of the Departmental Federation of Factory Workers was taken over by armed civilians, and several labor leaders were detained and interrogated about their labor activities, their work, and their family situation. Some of these leaders were later released.

The main academic authorities -- some teachers from San Simon University, and Carlos Quiroga, president of Cochabamba's Civic Committee -- are among the citizens of this district who have been detained by security organizations.

The detention has also been confirmed of at least 10 leaders, members of the Departmental Labor Confederation, teachers organizations, the state oil enterprise, the Confederation of Neighborhood Councils, the National Highway Service, the Factory Federation, and of the Permanent Assembly for Human Rights.

The labor leaders have expressed their fear that the detentions will continue, because, they said, they have learned of a list containing the names of 100 persons who are to be detained within the next few hours.

COB EXTENDS STRIKES TO SUPPORT MARCHERS

PY281100 Paris AFP in Spanish 0222 GMT 28 Aug 86

[Text] La Paz, 27 Aug (AFP) -- Bolivian Labor Confederation [COB] leaders today reported here that the COB has orderd a nationwide stoppage for 29 August when 7,500 mineworkers, peasants, housewives, priests and children who are partricipating in the March for Life and Peace will arrive in La Paz.

The march began last Friday in Oruro -- 230 km south of La Paz -- to protest the decentralization of the Mining Corporation of Bolivia (Comibol), which will result in halt of the 24,000 Comibol workers losing their jobs.

The government of Victor Paz Estenssoro ordered this step in view of the slump in tin prices on the international market where quotations fell to $2.50 per pound while the Comibol cost per refined pound is nearly $14.

The COB ordered that all the La Paz workers should receive the marchers who will be supplied with foodstuffs, shelter, and medicines.

It was reported that once the marchers are in La Paz, the mineworkers federation will hold talks with the government after the decree decentrailizing the Comibol is abrogated.

The government feels that the decree is esentially unchangeable for which reason only some details of the decree will be open for discussion after a mediation by the Catholic Church.

PINOCHET APPROVES PROGOVERNMENT DEMONSTRATION

PY280140 Santiago Domestic Service in Spanish 1700 GMT 28 Aug 86

[Relay from Government House by Rosa Sanchez]

[Text] President Pinochet today approved the holding of a demonstration in support of the government by saying that it will be a sign that Chile is defending itself from Marxism. Pinochet made this comment during an impromptu speech when he addressed hundreds of people who gathered this morning in front of the La Moneda Government House and who later entered the building at the Patio de los Canones requesting Pinochet's presence and shouting slogans in his favor.

Among those present were youths, professionals, workers, artists, intellectuals, sportsmen, and representatives of many unions such as the bakers union, the transport union, and the business union, all of whom acclaimed Pinochet when he appeared at the Patio de los Canones.

In his brief greeting, the president thanked them for their support now that the fatherland is experiencing difficult times, not only because of domestic problems but also because of a foreign aggression. He said that on the eve of the 11 September revolution anniversary, the government has discovered the extremist arsenals which were to cause a civil war and the deaths of many Chileans. He added that this thought means we must unite ourselves to capture these bad Chileans.

[Begin Pinochet recording] This thought means that we must unite ourselves and tell those bad Chileans [changes thought] corner all these politicians, [cheers, applauses, shouts of "Pinochet, Pinochet"] all these gentlemen who in one way or the other were (?linked) to those who brought the arms, many of which perhaps have been distributed and have not yet been detected. I wan to tell you that this unity -- this demonstration you are about to hold -- will be like a gag and will show that Chile defends itself when (?it wants to). [applause, cheers, slogans in favor of Pinochet] [end recording]

The president declined to specify the date on which this demonstration will be held, but he said he will discuss it with General Hernan Nunez, the director of the Civilian Organizations Office. The president ended his speech by reasserting that with this gesture, we will show the world that Chile is willing to confront Marxism just as it did in 1973 and it is willing to expel all those who want to attack our country.

President Pinochet worked the entire morning at his Government House office and held meetings with Cabinet ministers, advisers, and the top-ranking leader of the U.S. -Chilean Chamber of Commerce. At this time, he is lunching with union leaders from different sectors.

[Paris AFP in Spanish at 1812 GMT on 28 August 1986 reports in a 300-word item that Union Leader Manuel Contreras has reported the demonstraton in support for the government will be held on 9 September in Santiago throughout the Alameda (Bernardo O'Higgins Avenue -- the largest avenue in Santiago which is capable of holding hundreds of thousands of people.)]

CARVAJAL SAYS FPMR COMMAND 'VIRTUALLY DESTROYED'

PY282340 Santiago Domestic Service in Spanish 1700 GMT 28 Aug 86

[Passages within quotation marks recorded]

[Text] Defense Minister Patricio Carvajal today met with reporters and said that terroristm received great blow, more at the personal level than at the material level. Carvajal said this in reference to the arrest of 14 members of the Manuel Rodriguez Patriotic Front [FPMR] and the recently discovered arsenals.

The defense minister said that with the recent arrests the FPMR's command has been virtually destroyed and that based on available information this group will receive more blows. In this regard, Carvajal said:

[Carvajal] "There are others who were not arrested. We believe that some were able to escape aboard the Cuban ships, while others are in hiding because they have been identified in the pictures they took of themselves, and because of details provided by the people who are testifying. Therefore, I believe that terrorism received a harsher blow at the personal level than at the material level.

"I attribute more importance to the arrests, which have destroyed the FPMR's command, than to the discovery of the arms caches."

Carvajal said that, based on the background material available, the terrorists under arrest have provided important information, and we shall continue to clarify the arms issue. Despite everything, arms continue to be brought into the country, but in much lesser quantities.

[Carvajal] "I am convinced this has been a harsh blow to the FPMR, and it will allow us to continue to strike blows against the FPMR."

He also said that the Communist Party through its armed branch, the FPMR, is undoubtedly involved in the arms caches deal as well as in other attacks.

[Carvajal] "There is no doubt that among those who actively participated in all this are top-ranking Communist Party and FPMR leaders. Therefore, we have arrested very important people who have supplied much information thanks to which we have been able to learn the ramifications of these arsenals."

Regarding announcements regarding the holding of demonstrations at the beginning of September, the defense minister said that the proper measures will be enforced to guarantee order and the safety of citizens. He added that it is very unlikely that a state of siege will be imposed.

[Carvajal] "We shall use all the precautions that are normally enforced every year to guarantee safety and order. Of course, we shall intensify these measures on this occasion because we are aware that some of the arms [that were part of the arms caches] may have reached the terrorists. As for the state of siege, I have already said that this is a political issue that is pertinent to the Interior Ministry.

"In general, this is a legal tool that the government is reluctant to impose because it is unwilling to enforce any measure that will undermine individual freedom, but which is indispensable to maintain security."

Asked about the arms and explosives that were confiscated from terrorists, Carvejal said that these are now the property of the state, and they will become part of the Armed Forces arms stock.

Concerning the establishment of a parallel Army by Chilean terrorism, Carvajal said that this report is groundless. He said the terrorists cannot defeat the Armed Forces at the political and psychological level--as happened in Cuba and Nicaragua--because they lack the capacity to do so. They only have the ability to destroy, which is the intention of terrorist groups.

On the possibility of finding new arsenals, he said that terrorists were able to distribute arms that were part of the first arms cache, which was transported to the southern region of the country. He also said that smaller arms cargoes are constantly being brought into the country.

Links Caches to Plan

PY282349 Santiago Radio Chilena in Spanish 1700 GMT 28 Aug 86

[Text] Defense Minister Patricio Carvajal has said that the extreme left is not prepared to oust the government. He said that the discovery of arms caches and the arrest of aboout 20 persons has been a harsh blow to terrorism. Following are details in this regard provided by Jose Francisco Contreras, who is at the Defense Ministry.

[Begin relay] Defense Minister Patricio Carvajal has noted that the extreme left is not prepared to oust the government because--despite the arms it has been able to bring into the country--it lacks the proper military training. The defense minister held a press conference to talk about the discovery of clandestine arms caches. He admitted that the U.S. Government helped the Chilean Government detect the illegal introduction of these weapons from Soviet ships. Patricio Carvajal said that it is very likely that the objective of these arsenals, as stated by one of those under arrest, was to impose a psychological and military defeat on the Chilean Army, to oust the government, and to install a Marxist revolutionary government. However, he added that he doubted this objective would have been achieved.

[Begin Carvajal recording] I doubt very much that they would have been able to achieve this objective because it is not enough to have arms and explosives. It is also necessary to have efficient troops. This requires many years of training, and the formation of cadres. Therefore, although these guerrillas may have received 1 month of training in Cuba, they lack the ability to oust the government. [end recording]

Defense Minister Carvajal added that terrorism received a much harsher blow through the arrest of 14 persons who were involved in the illegal introduction of arms to the country than through the confiscation of the arms caches. He said this is so because of the high rank of those arrested who, he said, are cadres who received training abroad.

The defense minister also noted that he wished that thousands instead of only 14 were under arrest, but he noted that those arrested have supplied valuable information that will allow the government to continue its investigation and arrest many others.

As for the Soviet ships, Carvajal noted that although they are not violating Chilean territorial waters, they are carrying out electronic espionage activities. He admitted the United States cooperated by providing information regarding the detection of the introduction of arms from Soviet ships. He said: We have been supplied with information from the United States; we are still receiving it, and it is welcomed.

Concerning announcements of a protest march on 4 September, the defense minister said there is always the possibility some groups may promote violence, but the government will take all necessary measures to safeguard public order.

Regarding the possibility of imposing a state of siege, he stated tht this is a legal tool that the government has available but that the government is reluctant to take steps to restrict public freedom other than those that are strictly necessary. He noted the state of siege can be imposed, but it is very unlikely that it will be. [end relay]

CAUCE JOURNALISTS RELEASED; CHARGES DROPPED

PY282127 Paris AFP in Spanish 2100 GMT 28 Aug 86

[Text] Santiago, 28 Aug (AFP) -- Three journalists and the editor-in-chief of the opposition magazine CAUCE were released today and all charges against them were dropped. The military court -- which 2 days ago ordered their arrest in Santiago de Chile -- has officially made this announcement.

Journalists Claudia Lanzarotti, Marcia Pineda, and Eugenio Gonzalez were arrested on 26 August along with attorney Jorge Ovalle after the National Intelligence Center (CNI) -- the military government's secret police -- charged the publication, which has social democratic leanings, with slandering the Armed Forces.

Military prosecutor Rodrigo Gonzalez freed the four, but he did not free CAUCE publisher Jorge Ovalle and journalist Ariel Poblete, who wrote an article that questioned official reports on the unloading and discovery of an arsenal intended for the groups who advocate subversion against the government of General Augusto Pinochet.

FOREIGN MINISTER BACKS CONTADORA PARTICIPATION

PA281605 Paris AFP in Spanish 0115 GMT 28 Aug 86

[Text] Bogota, 27 Aug (AFP) -- Today Foreign Minister Julio Londono Paredes said that we will continue to participate within the Contadora Group as long as the Central American countries wish. These remarks were made when explaining the country's foreign policy before a commission of the lower house of Congress.

The minister emphasized that as the situation in Central America directly affects Colombia, the country will be at all forums where the topic is discussed.

Londono Paredes reiterated Colombia's position of trying all peaceful means provided for by international law in the event that direct talks fail regarding differences with Venezuela over the limits of marine and submarine areas.

He also said: "When direct negotiations do not bring forth a solution to our differences, other peaceful procedures exist, as established within international law under Article 33: mediation, arbitration, and judicial order."

He also defended participation in the nonaligned meeting, stating: "It is not in the country's interest to be absent from these forums. Our presence at them is necessary."

Finally, and as a curious note, Londono Paredes disclosed that participation in Contadora during the last 4 years has cost $80,000 in travel allowances plus $87,000 in air fares to various meetings.

GOVERNMENT TO GIVE FINANCIAL AID TO MEXICO

PA281545 Bogota Television Service in Spanish 0000 GMT 28 Aug 86

[Text] Colombia, together with other countries, will give a $1.6-billion loan to Mexico, which will use this money to pay overdue interest so that in turn it can later receive a $12-billion loan.

The immediate aid to the Mexican Government is in conjunction with the United States, Brazil, Spain, Uruguay, and Argentina.

VENEZUELA TO HELP IN ANTIDRUG OPERATIONS

PA281551 Bogota Television Service in Spanish 0000 GMT 28 Aug 86

[Text] Colombian and Venezuelan military authorities have agreed in Barranquilla to increase their antidrug-trafficking operations in the border zone. They will destroy clandestine airfields, exchange information on the shipment of chemicals used to process cocaine, and increase the number of border posts.

Colombia will provide assistance in the use of chemicals to destroy plantations in Venezuela.

DEFENSE MINISTRY REPORTS ELN ATTACK, CASUALTIES

PA272009 Madrid EFE in Spanish 0355 GMT 27 Aug 86

[Text] Bogota, 26 Aug (EFE) -- The Defense Ministry here has reported that three insurgents and two soldiers were killed today during a guerrilla attack on a military communications network in Norte de Santander Department, in northeastern Colombia.

A ministry spokesman said that a group of at least 120 rebels from the National Liberation Army (ELN) attacked the guard post at a communications tower with long- and short-range weapons, grenades, and rockets.

The attack took place on Los Indios hill near El Tarra Corregimiento, Tibu Municipality. The rebels tried to dynamite the military communications network which links the central and interior areas to the Army brigades stationed on the northern coast and in the northeastern part of the country.

The 40 soldiers in the Army's 5th Brigade Maza Group, who were guarding the tower, repelled the rebels and thwarted the attack on the communications network.

The Defense Ministry reported that during the confrontation, at least three rebels and two soldiers were killed.

The ELN guerillas belong to the Domingo Lain and Camilo Torres columns, which operate in the northeastern part of the country, the source said.

Military reinforcements from Bucaramanga, Cucuta, and Ocana were sent to El Indio [as received] hill and surrounding areas such as Serrania de los Motilones on the border with Venezuela, an area to which the rebels usually flee, the Defense Ministry concluded.

HEAVY FIGHTING WITH REBELS CONTINUES IN CAUCA

PA261542 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 26 Aug 86

[Text] Popayan -- Heavy fighting continues in eastern Cauca Department, where nine soldiers and one officer were killed in the last few hours in clashes with members of the National Guerilla Coordinating Board. The clashes took place in the area between the town of Inza and Paez and involved troops of the Army's 10th Brigade and guerillas led by the highest leaders of the M-19.

Cauca Governor Victor Gomez Gomez told CARACOL that the situation is difficult. He also confirmed the death of 10 soldiers and the wounding of 3. The governor added that the three wounded soldiers have already been evacuated to hospitals, where they are recovering.

The fighting is taking place in the same region where 15 days ago the guerrillas attacked the town of Belalcazar, in which the military actions to stop the subversive attacks have been centered. Forces transported by helicopters have been dispatched from other brigades to reinforce the operations in pursuit of the guerrillas in the zone.

Brigadier General Ramon Emilio Gil Bermudez, commander of the 10th Brigade, has promised that an official communique will be issued in the next few hours to report the number of casualties in the actions in which it is believed more than 10 guerrillas have been killed.

GUERRILLAS CLAIM ATTACK ON BOLIVIAN EMBASSY

PY281937 Paris AFP in Spanish 1554 GMT 28 Aug 86

[Text] Lima, 28 Aug (AFP) -- In a communique sent to a Lima newspaper, the People's Revolutionary Command (CRP), a guerrilla group, today claimed responsibility for a bomb attack against the Bolivian Embassy in Peru.

The Tupac Amaru Revolutionary Movement (MRTA), meanwhile, has claimed the bombings in the Peruvian Ministries of Economy, Labor, and Mines on 27 August. This information was published by another newspaper, which carried an MRTA communique.

The attack against the Bolivian Embassy -- which according to the authorities damaged only the building's facade -- occurred on 26 August and was staged to protest the Bolivian Government's decision to allow the presence of U.S. troops in Bolivian territory. The CRP communique said: The excuse now might be to fight against drug trafficking, later it could well be the need to stop the armed struggle. The CRP is a relatively new guerrilla group that intelligence agencies believes to be a splinter of the MRTA.

ARMED FORCES COMMUNIQUE ON PIA VESTA CASE

PY281723 Lima Television Peruana in Spanish 0100 GMT 28 Aug 86

[Communique No 058 issued by the Armed Forces Joint Command in Lima on 27 August]

[Text] Taking into consideration certain statements by U.S. citizen David Duncan, who contends that he possesses documents proving tht the Armed Forces have participated in the alleged smuggling of weapons on the Pia Vesta, and considering these statements undermine the prestige of the Armed Forces and their senior officers, the Armed Forces Joint Command makes known to the public the following:

1. The Armed Forces have asked the president of the Republic, as commander in chief of the Armed Forces, to request through diplomatic channels the documents which David Duncan has said he possesses. Thus, it will determine the validity of his statements and establish responsibility in the case.

2. The Armed Forces express their total willingness to cooperate with the congressional committee created to investigate the alleged smuggling of weapons on the Pia Vesta in whatever manner the committee deems necessary, in order to clarify the facts of the smuggling case.

ARGENTINE 'ADVISERS' INVOLVED IN 1983 SLAYINGS

PY281654 Madrid EFE in Spanish 1930 GMT 27 Aug 86

[Text] Lima, 27 Aug (EFE) -- Peruvian Journalists Association President Juan Vicente Requejo has said that it is known there were Argentine Navy "advisers" in Ayacucho when eight journalists were murdered in the Andean village of Uchuraccay [in 1983], but that the information was not reported for fear of reprisals.

In statements to EFE today, Requejo said that even though the leftist newspaper DIARIO DE MARKA had already mentioned the issue, Ayacucho journalists confirmed the information, but did not report it because they were afraid of reprisals.

Requejo said the eight journalists and their guide, Juan Argumedo, were murdered because they learned about the presence of Argentine infantry "advisers." However, it is now known how many advisers were there or when they left, he added. He stressed that if the information had been reported, then-President Fernando Belaunde would have been in serious trouble because he would have been charged with violating the Constitution.

The Peruvian Constitution establishes that Congress must authorize the presence of foreign troops in Peru.

Requejo said that if the presence of Argentine "advisers," who were called because of their experience in the antisubversive war in their country, had been reported, the Peruvian Navy would have confronted a serious problem. He added that this is why he has insisted that Peruvian Navy Lieutenant Ismail Bravo Reid be questioned by the court to hear the Uchuraccay case. Lt Bravo was the first to arrive in Uchuraccay after the slaying of the journalists, and picked up their belongings, he noted.

Bravo Reid is not in Peru and the Navy has said he cannot appear in court because he is fulfillng a mission.

Requejo charged that the "Sinchis," the civil guard's antisubversive force, urged the Uchuraccay peasants to kill the journalists and that the "Sinchis" themselves may have participated in the slayings. He ruled out the presence of Argentine "advisers" in Uchuraccay, because "their physical characteristics would have made them too obvious."

SHINING PATH KILLS GOVERNOR, PEASANT IN HUAYHUAS

PY281851 Paris AFP in Spanish 1453 GMT 28 Aug 86

[Text] Ayacucho, 28 Aug (AFP) -- The Police reported here today that a provincial governor and a peasant had their throats cut in the presence of inhabitants of Huayhuas when a heavily armed Shining Path column occupied the village.

Some 50 guerrillas -- men and women -- carrying pistols, submachineguns, and explosives, occupied Huayhuas, Huanta Province, and, after capturing Provincial Governor Pastor Huaman and the peasant Adrian Retamozo, tried them before a people's court under the charge of being informers and traitors.

One of the witnesses said that the two men were forced out of their houses, stripped, and, while being beaten, taken to the Huanta-Ayacucho road. There they were tried in the presence of their relatives and other townspeople and sentenced to be killed by machete.

After the execution and before fleeing, the Shining Path guerrillas placed posters with antigovernment slogans on the bodies and threatened to return if the townspeople reported the killings to the military authorities.

Threats Prompt Resignations

PY291847 Madrid EFE in Spanish 2017 GMT 27 Aug 86

[Text] Lima, 27 Aug (EFE) -- It was reported today in Lima that the provincial governors of 10 Ayacucho towns in southern Peru have resigned after receiving death threats from the Maoist Shining Path group. The governors, who were posted in Vilcashuaman province towns, tendered their resignations to Francisco Ludena, the prefect of the city of Ayacucho.

Among those who resigned is San Juan Bautista Governor Clodoaldo Zaga, brother of the late mayor of that district, who was murdered a month ago by presumed Shining Path members.

This chain reaction of resignations, set off by alledged terrorist threats, is occurring at a time when confrontations between military patrols and groups of presumed Shining Path members have become frequent.

According to a communique issued by the Armed Forces Joint Command, on 26 August 12 Shining Path members died and 1 soldier was wounded in a clash between a guerrilla group and a military detachment.

Representatives of Chincheros province towns have told General Juan Gil Jara, the chief of the political-military command of the emergency zone, of the possible existence of common graves in seven towns. They also charged that the security forces rape their women and steal money and cattle from them.

In other places in Ayacucho, the so-called peasant "patrols" are receiving military training to fight against the Shining Path. In La Mar province, following a recommendation issued by the military, peasants are asking strangers to identify themselves.

Alberto Valencia of the ruling APRA [American Popular Revolutionary Alliance], a deputy for Ayacucho, has recently analyzed the deterioration of the situation in his department. He said that to discredit the guerrillas, the paramilitary antisubversive units that operate in Ayacucho commit serious crimes that are then blamed on the Shining Path. "These paramilitary groups belong to the Armed Forces, to the right, or to some influential groups. Yet all of them are close to the Army or the police," he concluded.

FOREIGN SECRETARIAT NOTE ON CORTEZ INCIDENT

PA281512 Mexico City XEW Television Network in Spanish 1300 GMT 28 Aug 86

[Report by Juan Manuel Renteria]

[Text] The Mexican Foreign Relations Secretariat has replied to a letter in which the U.S. Government protested the arrest of DEA agent Mr Victor Cortez in Guadalajara City.

A note sent to the Mexican Foreign Secretariat states that the U.S. agent was illegally arrested, interrogated, and tortured by police agents from Jalisco state. The Foreign Relations Secretariat replies:

1. By request of the U.S. Embassy in Mexico, the Mexican Foreign Secretariat issed credentials identifying Mr Victor Cortez as a member of the U.S. Consulate in Guadalajara.

2. The Mexican Government allowed DEA officials to join Embassy personnel to exchange information with the Attorney General's Office in the fight against drug trafficking.

3. Mr Cortez was arrested by the Judicial Police of Jalisco when he was in the company of a person who has a criminal record, namely Antonio Garate Bustamante, who Cortez described as a co-worker.

4. Mr Victor Cortez was driving a vehicle bearing a false registration plate. He was carrying prohibited weapons reserved for the exclusive use of the Mexican Armed Forces, and he had no identification on him.

5. The Attorney General's Office investigated the incident upon receiving the U.S. note.

6. A medical report from the Mexican Red Cross in Guadalajara City confirmed that Mr Victor Cortez suffered wounds in the shoulder and abdomen that are not life-threatening and will heal in less than 15 days.

7. The Federal Public Prosecutor's Office arrested 11 people involved in the arrest of the U.S. agent and charged them with allegedly inflicting injuries and with abuse of authority.

8. The Mexican Foreign Secretariat communique points out that the U.S. and Mexican Governments are definitely concerned, because DEA agents are carrying out actions other than those for which they are authorized.

9. The reply note also points out that the tension created between the countries due to the activities of U.S. agents is also a matter of concern.

10. Only Mexican authorities can carry out duties involving the administration of justice.

11. Attitudes and decisions negatively affecting cooperation in the fight against drug trafficking must also be avoided. The greater the tension and antagonism, the fewer the possibilities to act unitedly and efficiently against international drug trafficking.

GOVERNOR OF JALISCO DISCUSSES ROLE OF DEA

FI280219 Mexico City NOTIMEX in Spanish 1532 GMT 27 Aug 86

[Excerpt] El Salto, Mexico, 27 Aug (NOTIMEX) -- Jalisco Governor Enrique Alvarez del Castillo has said the purpose of the 10 DEA representatives accredited in Jalisco is simply to gather information on drug trafficking and their work is not police-oriented. The governor said there is an agreement between the Mexican Foreign Secretariat and the U.S. State Department establishing cooperation in sharing information but foreign agents cannot operate as police agents or carry weapons. [passage omitted]

ATTORNEY GENERAL COMMENTS ON ANTIDRUG PLAN

PA280213 Mexico City EXCELSIOR in Spanish 22 Aug 86 pp 5-A, 30-A

[Article by Hector Adorno R.]

[Excerpts] Mexican Attorney General Sergio Garcia Ramirez has said that drug trafficking has become a major problem for humankind with particularly severe characteristics for the American continent and, within the continent, for Mexico. "This is why we observe with interest how the U.S. authorities have begun the finest and deepest process of identifying the problems associated with the trafficking and use of drugs," the attorney general added. The attorney general also mentioned the demands for justice in the country.

These statements were made by the government official during a "closed door" meeting with Sonora Governor Rodolfo Felix Valdes. The meeting was held at the Palace of Justice in Hermosillo and was attended by judicial, federal, and state authorities. During the meeting, the implementation of the Northern Border Plan was announced. This plan is aimed at reinforcing, with human and financial resources, the national campaign against drug trafficking and addiction. [passage omitted]

During his work meeting with the governor of Sonora, Garcia Ramirez said that at times, the drug trafficking problem has threatened to turn into an issue of dissension between governments and there is no real reason for this. "It is a problem of the nations and peoples against the criminals, but never a problem of country against country. However, there are times when the criminals use the situation and provoke small or big tremors [sismos] and gaps that at a given time can break up the common front that the civilized nations and friendly governments have established against drug trafficking.

"We believe that the problem of drug trafficking, rather than creating a gap between our northern neighbors and ourselves, is becoming -- with some hard work, good faith, and good will -- an issue which we agree upon and which we are trying to stress," the attorney general said.

Garcia Ramirez also said that there is no one within the Mexican Government or its various sectors who approves of drug trafficking, "just as there is no one within the government of our northern neighbor who approves of this illegal action."

The attorney general added that the northern border plan implemented as part of the national campaign against drug trafficking and addiction is aimed at increasing actions against the use of drugs and international drug trafficking. "But nothing can be done if the bureaucratic and administrative decisions are only presented to and heard by the cabinet." [passage omitted]

BASEL BANK APPROVES $400-MILLION CREDIT

FL282115 Mexico City NOTIMEX in Spanish 1603 GMT 28 Aug 86

[By correspondent Federico Gomez Pombo]

[Text] Geneva, 28 Aug (NOTIMEX) -- In line with measures taken by the Mexican Government to establish programs aimed at growth, the Basel Bank of International Payments today reported that it granted a $400 million credit to the Bank of Mexico in a transactidon made with the support of central banks of 10 countries.

The countries that are participating through their respective central banks are: Belgium, Canada, FRG, France, Italy, Japan, the Netherlands, Sweden, Switzerland, and the UK. This was indicated in a report issued by the Bank of International Payments.

It notes that the aforementioned credit is part of a short-term contingency support for international reserves for which $1.1 billion are being made available to the Bank of Mexico by U.S. currency authorities and the central banks of Argentina, Brazil, Colombia, and Uruguay and by the Basel Bank of International Payments.

The contingency support transaction is being done within the framework of Mexico's agreements with the IMF and the World Bank in connection with an economic program aimed at growth and to complement payments made by the two institutions, the Bank of International Payments concluded.

REQUEST MADE FOR $6-BILLION CREDIT PACKAGE

FL282350 Mexico City NOTIMEX in Spanish 2206 GMT 28 Aug 86

[By correspondent Roberto Gonzalez Perez]

[Excerpts] New York, 28 Aug (NOTIMEX) -- Mexico today urged its creditor banks to grant an approximately $6-billion financial package which would include deferred interest payments on its foreign debt.

The proposal was presented by Finance Secretariat officials at the opening session of negotiations with trade banks for a $6-billion financial package that Mexico requested for 1986-1987.

Bank sources in New York said that it is likely Mexico will receive the funds. [passage omitted]

Sources involved in the conversations said the Mexican negotiators, led by Jose Angel Gurria, public loan director of the Finance Secretariat, presented several ideas to confront the burden of the Mexican foreign debt including linking the payments of its current debt to oil prices. The bankers said they do not consider Mexico's verbal request a formal proposal and indicated the talks are only a preliminary exchange of ideas. [passage omitted]

NORIEGA DECORATED IN COLOMBIA; TIEMPO INTERVIEW

PA271538 Bogota EL TIEMPO in Spanish 24 Aug 86 p 12-A

[Report by Patricia Lara]

[Text] Panama -- General Manuel Antonio Noriega, decorated in Colombia by General Fernando Landazabal with the Jose Maria Cordoba Order, accused by the NEW YORK TIMES of trafficking drugs and arms, of laundering money, of suggesting and ordering the assasination of Hugo Spadafora, seems to be at peace; not a single muscle in his face twitches.

"I am not going to discuss drug trafficking," he said fearlessly, before beginning this interview held at the home of one of his friends. He arrived punctually, accompanied by his judo professor, Panama's ambassador to Taiwan, whose physical appearance and acent are more those of an oriental than a Panamanian.

This controversial Gen Noriega, 48, whose face is covered with traces of the acne of his youth, is agreeable, amiable, and very shrewd, he collects all kinds of ceramic frogs and keeps parrots at his mansion in the exclusive Altos del Gulf area. In his own words he is a Christian who believes "in the rality of the Psalms, in the laws of good and evil, and in a superior cosmic force that balances human life." Because of this, he reads the Bible every day before or after jogging and does aerobic exercises in the morning. Nothing can make him speak of things he does not want to speak of, and he only says what he wants to say....

Nothing can be done about this: His 12 years at the head of Panamanian military intelligence (G-2) have made him an expert of obtaining information and in misinforming, but never in saying what he should not say.

Regarding the murder of Spadafora, who was his enemy and also the enemy of others, and whose decapitated body was found near the Panamanian border with Costa Rica, the general said that soldiers Mario del Cid and Luis A. Cordoba, accused of participating in the crime, were investigated by the Attorney General's office, and that the Supreme Court -- "which is just as respectable as the Colombian Supreme Court" -- ordered the case closed due to a lack of proof. He suggested, but refused to confirm, Spadafora was an arms trafficker, adding that "on the black market, whoever tries to be smart and keeps the money or the arms, runs the risk of having his head cut off; this is my philosophical answer," Noriega said. He added: What if I were to ask "who cut off the head of John Doe in Medellin," or asked how many people are missing in Colombia?

Regarding the death of Cerafin Mittroti, president of the Rotary Club, the general said "that case is impossible to understand," and he spoke of "the problems that exist in every man's life," adding that "in Panama fantastic stories are invented," and that "the judicial system and the authorities cannot be blamed for the deaths."

Regarding drug trafficking, the general said that the U.S. banks have computers that register transfers and the management of funds, "so the laundering of money is a difficult task these days." He said that Pablo Escobar and the other drug traffickers who met with Alfonso Lopez Michelsen in Panama, entered the country with false documents because if they had entered with legal documents "there would have been a great scandal, or we would have detained them for at least 24 hours." He said the Defense Forces did not know that the meeting was going to take place and that it was "disrespectful to ask (Lopez) who he was going to meet in Panama." Noriega added that he agrees with the practice of anti drug operations carried out by the military, for example, the recent operation in Bolivia, "but by Bolivians," not Americans.

Regarding the other accusations against him, he insisted that they are part of a "campaign financed by bad Panamanians"; that this is a pattern of conduct they employ "when they want to bother someone or get something -- they go to the top of force it to yield." However, these are not "accusations or insults against one person, but against the nation's dignity. "He added that in Panama that little "game" is already known because "they did the same thing to Torrijos," whose brother was accused of drug trafficking.

Meanwhile, he said, the Defense Forces are conducting civic activities in the fields of health, education, and road construction in remote areas. The forces actively participate in the community, and because of this Panama is different. He added that other countries have tried to imitate this attitude, but they have been slow; this is something that must be done quickly. Noriega said that he is "a soldier of the new Latin American generation," just as are all of the "military leaders whose concepts transcend the borders of their countries." He said that Torrijos' death left a political but not a military void in Panama, "that for now" several ranking officers such as the second in command, Colonel [Roberto] Diaz Herrera, Torrijos' cousin, will not be leaving the Defense Forces as has been rumored; that he is aware of everything that goes on in Panama (even of the arrangement and annulment of marriage engagements), and that "in the intelligence field there is science and there is fiction." He said that in his case he will leave "a mystery" the determination of what is science and what is fiction. Regarding U.S. Vice President George Bush, a former CIA chief, Noriega said that "when he becomes a presidential candidate" he will be asked the same questions but that he, Noriega, is not going to be a candidate... [sentence as published]

This is part of the general's remarks. The remainder is taken from 3 hours of tapes:

[Question] What is this story that the drug trafficker Ochoa used to give gifts of horses to former National Guard Commander General Paredes, according to a book recently edited by the Panamanian Government?

[Noriega] I know nothing about that. However, it could emerge from the (Colonel) Melo case, because he was the military attache in Colombia, and I believe this is where he met one of these men.

[Question] General, the government admitted that Melo was involved in drug trafficking. Does this demonstrate that the corruptive power of drug trafficking has reached the different institutions?

[Noriega] God has created a little of everything. Last week I read that in Miami 50 policemen are on trial for involvement in drug trafficking. We have had one case, and when we became aware of it we demoted him and he lost his rights.

[Question] Why was Melo released?

[Noriega] We have arrested many drug traffickers here, however they have the capacity to evade justice.

[Question] Then Col Melo evaded justice?

[Noriega] I believe so. He received military punishment from us; however, he did not receive punishment according to civil law.

[Question] Do you have a military penal justice here, similar to the one we have in Colombia?

[Noriega] No. Here, we apply the military statute, which is disciplinary, not judicial in nature.

Here we cannot arrest a soldier, the civil court would have to judge him. Look, Panama has fought drug traffic: We discovered the laboratory-city in Darien through reports from the residents. We have arrested drug traffickers, like Suarez' son-in-law, who is the biggest Bolivian drug trafficker. We sprayed 100 hectares of marijuana, and that cost us $2 million. However, Panama has never received manifest or substantial support from the United States in the struggle against drug traffic...

[Question] After the attack on the Dominican Republic Embassy, Jaime Bateman proposed to meet in Panama with leaders from the several sectors of Colombia. He said that President [Aristides] Royo provided the Panamanian territory for that meeting. Afterward, he met here with negotiator [German] Bulas Hoyos. He used to come here frequently. He died during a flight on his way to Panama. What was the relationship between you and Bateman?

[Noriega] The Defense Forces have never dealt with Bateman. I never met him. What you are saying about President Royo refers to an action of his government. We believe that, in the case of bordering nations, to have this kind of contact could be seen as an unfriendly act. We maintain strict control in that respect.

[Question] The National Guard does not have relations with the M-19 or other Colombian guerrilla groups?

[Noriega] We have no relations or communication with them.

[Question] Are there any M-19 people here?

[Noreiga] There may be. When one is living clandestinely, that could happen. They are living clandestinely, even in Colombia, and no one knows about it.

[Question] It has been said that there are some photographs of an exchange of weapons for drugs, in the National Guard installations...

[Noriega] Negative. I have never seen photographs of that kind taken in Panama. I have seen one that is said to have been in Nicaragua, but none from here.

[Question] Then do you believe there is a connection between the guerrillas and the drug traffic?

[Noriega] The guerrillas have said no. All I can tell you is that drug traffickers use any means they have to introduce drugs.

[Question] And the guerrillas use any means to introduce weapons?

[Noreiga] Yes, of course, and it is logical: They live in a clandestine system, and theirs is a struggle for survival.

[Question] In 1981 there was an M-19 invasion of Narino. One of the people arrested said he had been trained in Cuba and was coming from Panama. Fidel Castro said that they had been trained in Cuba, but they had not been armed in Cuba. Were they armed in Panama?

[Noriega] No, we do not have the capacity to arm anyone. There is no arms factory here. The weapons seized from them were European, they were not manufactured in Panama. Look: in the open sea you can ship whatever you want: There are not enough ships to patrol the entire coast of Panama, or Colombia either.

[Question] How do you explain the story of the ship Karina, which sailed from Panama to Colombia loaded with arms?

[Noriega] Panama has two oceans. In a country without resources, like ours, that means inability to patrol. That inability also exists in Colombia, where they have to concentrate the naval resources in the Atlantic, because they cannot watch over such a long coast. The geographical configuration of the border between Colombia and Panama allows some situations to occur. For example, in Puerto Obaldia, located in La Miel in the Atlantic, there is trade between the Colombian and the Panamanian settlements. This is officially known as smuggling, but the residents call it trade. They evade the justice to survive. Likewise, arms traffickers, guerrillas, bandits, terrorists, seek protection along the coast. Thus, the story of the Karina, is the story of a ship that had the specific conditions to evade justice. Moreover, it is necessary to know how the Panama Canal operates: There is insufficient personnel to check all ships, and there is no legal obligation to do it. There has to be lawsuit, a specific action to be able to act. There is a maritime tribunal on the Canal shore to attend to those lawsuits. Furthermore, the Canal is controlled by the North Americans...

[Question] However, according to German Castro Caycedo's book, the Karina remained in Panamanian waters for a long time. It had a collision, it sailed to Colombia, returned to Panama, sailed back... Didn't the Defense Forces notice this?

[Noreiga] The book is a total fantasy. Even the main characters are farfetched. It is a book written to conjure speculation and to make money. It does not correspond to the reality in the military intelligence. The Colombian Armed Forces and the Security Forces know the truth about the Karina. The truth is not in the book.

[Question] And what is the truth?

[Noreiga] Perhaps later, some years from now, the Colombian Army will decide to reveal the truth... We know that they know the truth. I am not going to say it...

[Question] Is it true that Panama warned that the ship was sailing?

[Noreiga] No. There were some questions afterward and details were provided: That ship was anchored here so many days, did this, it was not called Karina when it passed through Panama, it had another name, etc. [Sentence as published] Look, the coast is so long that it allows them to smuggle arms into Colombia. Panama has nothing to do with that, and I abide by what the Colombian Armed Forces say. We are not the bridge for that traffic. We signed an agreement, in San Juan, Manzanillo, signed by General [Rafael] Samudio and by me. The agreement compels the Armed Forces of the two countries to arrest bandits who travel across the borders and to prevent and control the trafficking of arms and drugs. Had we not complied with this, they would have reported this already.

[Question] General, who was supposed to have gotten the weapons aboard Pia Vesta, which went all the way to Peru, returned to Panama, and were seized there?

[Noriega] These Soviet weapons carrying a German factory name included assault rifles and rocket-launchers of unknown caliber. They were not being sent to Colombia, as it was said... There were two manifests in the ship. They both stated that the cargo consisted of trucks and spare parts. One said it was consigned to Peru and the other to a Central American country.

[Question] Nicaragua?

[Noriega] No, it was not Nicaragua. These weapons were going to a Central American country. (laughter)

[Question] There is a report saying that the weapons were bought by the Peruvian Navy...

[Noriega] The Peruvian Navy denied that. They have Soviet weapons, and I do not see why they would have to deny it if the weapons were for them. The manifest that said the cargo was for Peru was false because the cargo was not left there.

[Question] But if the weapons were consigned to Central America, what were they doing off the coast of Peru?

[Noriega] We are still trying to find an answer to that question.

[Question] Were they for Central American guerrilla groups or for a government of the area?

[Noriega] That is the question. Who were they for? But I would ask another question: Could it have been an arms trafficking deal? Because it can be speculated that certain groups, knowing that there is $100 million available for weapons, wanted to be a step ahead and earn a few pesos by selling weapons ahead of time. I mean, this is speculation.... In any case, since nobody wanted to claim them, we kept them. Now these weapons belong to the Defense Forces.

[Question] General, it is said that Panama is an arms trafficking center. Ricardo Arias Calderon, leader of Panama's Christian Democratic Party, said that the Defense Forces at least tolerate this trafficking. What do you think?

[Noriega] That is a piece of political bravado. It is speculation that convinces no one, because there is no arms trafficking in Panama. If you are going to introduce weapons into Central America, why come to Panama if you have a more expeditious way, -- Europe-Havana-Managua -- why take them to El Salvador or Honduras? In the case of the weapons bought by Colombian guerrillas, the country's coast gives them a way to introduce them. Weapons are sold in Panama. It is violence which has prompted the proliferation of black markets. Greater violence yields a greater supply.

[Question] General, there were five presidents in Panama between 1982 and 1985. How do you explain this instability in the civilian sector?

[Noriega] These situations occur within the idiosyncracies of each country. In Colombia, for example, when General Rojas Pinilla was overthrown, the parties sought a formula: The Liberals and the Conservatives took turns in power.

This would seem strange in other countries, but under the circumstances it did not seem so in Colombia. Similarly, within Panama's idiosyncracy, he who is no good, leaves...

[Question] Who determines whether a president is good or not?

[Noriega] The people decide that.

[Question] But in his letter of resignation, President Ardito Barletta said: "When I arrived from the United Nations, I found that the UNADE [National Democratic Union] (the parties that made up the government coalition) and the Defense Forces felt that they could no longer work with my presidency..."

[Noriega] That is history. Ardito Barletta's resignation was due to a political problem. There was a lack of identification with the working rank and file, the businessmen, the political forces of his own party, and with the elements that make a president. However, the Defense Forces had nothing to do with that. They only felt the impact of the situation. When you lose the political springs, you either crash or leave.

[Question] In Panama it is said that you give the orders; you are called the strongman!

[Noriega] Foreign correspondents are used to seeing us through the prism with which they view other nations. There are no strongmen here. That does not work here. The president is the one who gives the orders here. Proof of this is that he signs the contracts and the appointments, and I do not even find out about it. I do not attend Cabinet meetings, and I do not know what the president does, that is his business. What I do know about, and I coordinate it with him, is that which pertains to the state security. I am a member of the National Security Council. But here, one must not say that General Noriega is the strongman, because it would be tantamount to insulting the president's hierarchy. The prism used to view Duvalier and Marcos cannot be used to view Panama.

[Question] But do not tell me you are not in command here!

[Noriega] Oh, yes. I am in command at the garrison. I sure as hell am in command! (laughter) There is no question that I am in command. But it is not an authoritarian, despotic, autocratic, and dictatorial control. These people do not put up with a dictator: You either control with affection or you leave. The only dictatorship allowed here is the dictatorship of love. And this is because we are different in Panama. At the 12 August rally there was a military parade in which each tank was ridden by a girl dressed in a pollera [the Panamanian national dress] throwing kisses at the people. In what other country do you see something like this? In no other. This is the unity between the Armed Forces and the people. In this country the weapons are in the hands of the people instead of those of the oligarchy. They will never be in the hands of the oligarchy.

[Question] But you do think that the oligarchy has been affected in Panama, don't you?

[Noriega] The oligarchy has had every right to get rich. Torrijos withdrew the political but not the economic power from it. Now, the oligarchy wants to use economic power to recover political power.

[Question] But it is said that you are a very wealthy man. General...

[Noriega] .Tell me where the money is so I can go get it! It is clear that you are influenced by the opposition. Do not make the same mistake made by the classic newsmen who believe we have only a single menu here: rice, kidney beans, and beef, and this menu is blamed for everything. This menu must be changed: Panama is a country where there is always peace, where there are no political prisoners, and where there are more government scholarships for poor people. Panama is a projection toward the year 2000. Panama is a geopolitical position. This campaign of accusation has been started by bad Panamanians who paid for this campaign.

[Question] They paid whom, General?

[Noriega] The lobbying system existing in the United States. When you pay for a "lobby" [preceding word in English] there, they seek a way to send you to heaven or hell, if you want to go. This we know: Someone paid for the job of discrediting the government for political purposes.

[Question] Who paid?

[Noriega] The Panamanian fifth columnists. But we are not interested in their names, because we are way ahead of them....

[Question] You have said that behind the accusations against you that were published in THE NEW YORK TIMES there is the U.S. interest in not returning the Canal in the year 2000. But there are still 14 years to go, General...

[Noriega] It seems like there are 14 years to go.... But in 1989, 3 years from now, the ratio of members within the Canal Commission will be reversed: There will be five Panamanians and four North Americans, and the administrator will be a Panamanian. It is just the opposite right now. In other words, we are at a decision-making stage.... And regarding the Canal, the outlook is dim. The Panamanian representatives are complaining that the accounting books are not being shown to them. They do not know how much the Canal administration is making, and thus they do not know how much Panama should get. The United States owes approximately $60 million to Panama in taxes. But they are showing this debt as if the Canal Administration owed it to firm X in the United States. In other words, instead of coming to Panama, this $60 million would go to the United States. In addition, the United States is not giving priority to the appointment of Panamanians to key positions, as stated in the Torrijos-Carter Treaty. This is a very dangerous complaint....

[Question] Is Panama prepared to defend the Canal in the year 2000, as stated in the treaty?

[Noriega] The 2000 Battalion, made up of 1,200 men, gathers the technology and the rules required to defend the Canal. And I must add, we are thankful to President Barco because his views prompted Shultz to make statements in favor of returning the Canal to Panama. And I want it to be known that our Defense Forces are friends of Colombia, that they have their roots in this country, and that Colombia's fate is also that of Panama. We share the same border and we have a great respect for the Colombian leaders and the military leaders.

[Question] You have said that Contadora must have military support, General. What does that mean?

[Noriega] Contadora seeks a solution for the war through the diplomacy. However, it has not found a solution that way. The negotiations table must receive the advice of military officers because the war is military. For example, there is talk about a reduction of weapons and the eradication of military advisers....

But what do diplomats know about that? Look, during the Esquipulas meeting in Guatemala, Nicaragua proposed as a solution that certain weapons be declared invalid. To the presidents of the area, Nicaragua's list seemed very satisfactory. However, when the military officers read it, they said: But Nicaragua does not have those weapons! Therefore, Contadora needs military advice.

[Question] Do you think that Contadora has any possibility of success?

[Noriega] There is a children's game called tag. When you are touching home base you are safe. In the same way, Contadora is the home base for the Central American war. If Contadora disappears, there is no home base....

[Question] How do you see the Central American situation after the U.S. Congress approved $100 million to help the contras?

[Noriega] The war strategy includes both action and deterrence. We believe the United States, which is a mature country and represents the center of power on the continent, is currently in the phase of deterrence.

[Question] Do you think it will go into action?

[Noriega] It depends on them.

[Question] General, it is said that your friend, General Galvin, the head of the U.S. Southern Command, and other people in the Pentagon are upset because Fidel Castro came out in your defense during a recent interview.

[Noriega] This is the first time I have heard that! Galvin has never mentioned that to me. On the contrary, I heard they were very pleased with the interview.

[Question] Why?

[Noriega] Because they saw a composed Fidel.

[Question] During that interview, Fidel Castro said that the charges against you published in THE NEW YORK TIMES were part of a premeditated campaign. He said this campaign had been proposed by a member of the U.S. Security Council and was endorsed by the White House, the CIA, and the State Department, although the Pentagon was initially opposed to it. What do you say?

[Noriega] I have not talked to Fidel Castro. I do not know the basis for his judgement. He has his own view, and his sources of information are not the same as mine. Thus far, we have been assured that that is not happening.

[Question] However, it is said the United States would like to have someone who is more manageable than you as head of the National Guard [name as published].

[Noriega] I will give my vote of confidence to the good judgement of the United States concerning professionalism.

[Question] For example, in the event of a U.S. invasion in Nicaragua, would you be opposed to U.S. planes taking off from bases in Panama, overflying Panama's air space?

[Noriega] The planes would not necessarily have to take off from Panama. They could do so from Honduras, or even without knowledge. Furthermore, the geopolitical conflict is over there, not in Panama. Panama's opinion is irrelevant.

[Question] It seems as though you do not want to fight with Reagan!

[Noriega] I do not see why I should fight with Reagan or with anyone. There is no reason for Reagan to fight with me, either. He has too many foes to come and fight with Manuel Antonio Noriega. He can put on his gloves to fight with someone else. I am not his enemy.

[Question] General, Camilo Gozaine, who is a member of the Panamanian National Assembly [president of the Legislative Assembly] has announced your presidential candidacy. Are you going to be Panama's president?

[Noriega] I am a military man! I heard someone say that just as the United States has its Jesse Helms, Panama has its Gozaine...

[Question] General Parades was also a military man, and nonetheless he ran for president...

[Noriega] Well, that's him. However, I am an active military man, who has many activities...

[Question] Are you busy with political activities, General?

[Noriega] I am a politician within the military discipline.

COSTA RICA

ARIAS: 'NO RUSH' TO NAME MANAGUA ENVOY

PA281800 San Jose LA NACION in Spanish 22 Aug 86 p 1-A

[Text] According to Costa Rican President Dr Oscar Arias Sanchez, there is no rush to appoint the head of the diplomatic mission in Managua. LA NACION asked the president who will replace Oscar Castro Vega, who resigned on 8 May when the previous administration ended. The answer was simple: "There is no rush." At first Alvar Antillo had been appointed, but he did not accept. Later, Nicaragua accused the Costa Rican Government at the International Court of Justice at The Hague of permitting activities in Costa Rican territory by rebels who oppose the Nicaraguan Government. According to government sources, the accusation was considered a "stab" in the country's back, because everything at that time seemed to indicate that the relationship between the two countries was returning to normal. Moreover, yesterday's official GAZETTE announced the appointment of Moises Valitutti as minister counsellor and the dismissal of Managua Consul General Carmen Rojas, who had held that post. In addition, Misael Diaz, Marco Badilla, Edwin Perez, and Jorge Arturo Monge were also dismissed from that diplomatic mission.

EL SALVADOR

RIVERA Y DAMAS: MEETING IN MEXICO 'POSITIVE'

PA281530 Paris AFP in Spanish 0104 GMT 28 Aug 86

[Text] San Salvador, 27 Aug (AFP) -- Arturo Rivera y Damas, archbishop of San Salvador, today described as "positive" the preparatory meeting that took place last week in Mexico between the government and the guerrillas to disucss a third round of dialogue in El Salvador on 19 September. He maintained that although the negotiations are being carried out within the framework of the Constitution, it "must be amended" if need be, because "law was made for man, not man for the law."

In statements to the local media, Rivera y Damas said that "a problem as profound as the war cannot be resolved in one meeting, but preparatory meetings are very positive." Delegations from the government, the FMLN, and the FDR agreed in Mexico to carry out a third round of dialogue in Sesori, 153 km east of San Salvador, San Miguel Department.

Rivera y Damas, the mediator in the dialogue, said that "we can only promote meetings, discussions, and some actions." He added that "there will be other meetings prior to the Sesori meeting" during the first half of September, but "we still have to confirm the venue and date."

The archbishop said that the meeting in Mexico was characterized by "openness, flexibility, and a desire to prevent the failure of the initiative -- although, as is natural, occasionally there were opposing positions." The prelate said that President Duarte has no other option than to act in keeping with the Constitution; however, "he is obliged to promote peace within that framework."

He said: "I believe that should it become necessary to amend the Constitution during the dialogue process, then it must be done." He said that statements made last Sunday in this regard by Gregorio Rosas Chavez, auxiliary bishop of San Salvador, were misinterpreted.

Rivera y Damas added: We all think that the Constitution is a fundamental law, that any changes to it are subjected to rules. Rosas respects those rules, but he is defending an evangelical principle which states that the Sabbath was made for man, not man for the Sabbath; law was made for man, not man for the law.

Meanwhile, the government and the guerrillas have reaffirmed their trust in Rivera y Damas' role as mediator in the dialogue process.

GUERRILLAS SEIZE CHINAMECA-LOLOTIQUE ROAD

PA272138 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Aug 86

[Text] We now bring you a report on the national transportation stoppage ordered by the FMLN General Command. The stoppage is being carried out successfuly. On the night of 25 August an FMLN guerrilla unit and a clandestine guerrilla unit seized control of a stretch of the highway running from Chinameca to Lolotique, in fulfillment of the national transportation strike. The units set up 2 barricades and blew up 10 power pylons. The enemy did not make an appearance during these actions.

GUATEMALA

CEREZO, PAIZ EXPLAIN EXPORT-IMPORT MEASURES

PA262241 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 26 Aug 86

[Excerpts] Important private sector representatives today rejected the government's decision to establish strict state interventionist measures on Guatemalan foreign trade. The measures were opposed by the Guatemalan Export Chamber [Camara Guatemalteca de Exportacion] and the Corporation of Chambers of Commerce, Agriculture, Industries, and Financial Organizations, CACIF. These measures seek to completely control foreign trade and collect taxes for the government. In order to enforce these measures, the Swiss enterprise General Supervision Society [Sociedad General de Vigilancia], SGS, has been hired. This organization will supervise exports and imports. [passage omitted]

Guatemalan President Vinicio Cerezo has explained the purpose of the measures to be applied to foreign trade.

[Begin recording] [Cerezo] The funds to return to Guatemala from exports, research, and control are under supervision. No nationalization has been considered.

[Reporter] Would this increase the bureaucracy related to export and import of Guatemalan products?

[Cerezo] No, because we have hired an organization not at all related to the government. It is an independent concern, famous for its control ability and its experience in this field. The idea is that the proceeds of our sales abroad return to the country and pay the corresponding taxes. This is a very simple matter. We would only have to apply the law.

[Reporter] Are there any Guatemalan enterprises able to do this?

[Cerezo] Unfortunately, no. This foreign concern establishes mechanisms and procedures, but it is the state which applies standards and sets forth final controls.

[Reporter] Mr President, have any provisions been made to prevent contraband or tax evasion?

[Cerezo] Well, we are trying to establish control procedures at customs checkposts to attack corruption. SGS will control product invoicing abroad precisely to prevent tax evasions and so that the state can receive the proper taxes to be used for the good of the people.

[Reporter] Would these measures become an obstacle to the export of national products?

[Cerezo] Such measures have not hampered trade anywhere in the world. If people abide by the law, they do not have to fear the presence of an enterprise that will control invoices. Only those who have billed their products at prices above or below accepted prices need fear this type of enterprise. Those who do things correctly can remain calm. [end recording]

Guatemalan Finance Minister Rodolfo Paiz Andrade has said that the measures that have been announced should be seen as something that will permit free competition among exporters.

[Begin recording] [Paiz] The participation of this enterprise should be regarded as support for legal, loyal competition. In other words, those who export or import legally would have reason to be glad that there are now more efficient mechanisms to control product invoicing at prices over or under accepted values. We have hired this Swiss concern because we cannot do it ourselves internationally. Control is required, not only at Guatemalan customs or ports, but also at the ports of entry or departure for the products abroad. It is not exactly that we Guatemalans cannot do it, because I feel we can do whatever we set out to do. Yet, if there is an enterprise that is already organized and has offices in the ports of about 130 or 140 countries, it is best to use its services to check the prices, quantity, and quality of the products exported and imported. The SGS has not been hired to hamper exports and imports. We are committed to running an honest government. Past governments may have permitted the export or import of articles without applying law, but this government will not permit it. This firm will help us abide by the law. [end recording]

HONDURAS

LABOR CONFLICT ENDS; AGREEMENTS REACHED

PA280449 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 27 Aug 86

[Excerpts] Following the achievement of an agreement, which was signed after long hours of negotiations by representatives of the Workers Union of the National Agrarian Institute, Sitraina, the United Federation of the Honduran Workers, FUTH, and Mario Espinal, the director of the National Agrarian Institution, INA, the labor conflict has definitely been resolved. [passage omitted]

INA Executive Director Espinal made statements to HRN La Voz de Honduras after the agreement was signed. Let us listen to him:

[Begin recording] [Espinal] Yes, even during the meeting we had with the president, who proved [words indistinct] the availability [word indistinct] of the directorate, and to develop the most suitable reorganization structure. During the negotiations and the signing of the agreement, they told us that they will advise their personnel to follow the positions taken by the INA Executive Directorate.

[Reporter] Engineer Espinal, what agreements have you made with the union members?

[Espinal] Well, specifically, the direction of the INA administration by the Executive Directorate was recognized. In addition, they agreed that the implementation of the restructuring plan will come under my direction. Those who are dismissed will receive compensation in accordance with the clause established during the collective bargaining and those who participated in the movement will be respected. Finally, we agreed to maintain cordial, lawful relations.

[Reporter] Will labor unions be respected, Engineer Espinal?

[Espinal] Of course, the agreement established that. In addition, I want to tell you that [words indistinct] the [word indistinct] attended the negotiations and was pleased with the solution of the conflict.

[Reporter] Thus, no mine union leader has been dismissed?

[Espinal] No, definitely not. On 22 August we agreed to reincorporate them in their jobs, and we think that that measure contributed to the agreement reached today. [end recording] [passage omitted]

EX-ARMED FORCES CHIEF RESIGNS MILITARY

PA281515 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 28 Aug 86

[Report by Radio San Pedro reporter Tomas Arturo Che Medina]

[Text] Military sources have reported that General Walter Lopez Reyes, former Honduran Armed Forces commander in chief, was been discharged from the military. Lopez Reyes was Armed Forces commander in chief from April 1984 to February 1986. He had replaced General Gustavo Alvarez Martinez, who was unable to complete his 5-year term and now lives in Miami. Lopez Reyes was also unable to complete the 5-year term, which had begun in January 1982 with Alvarez Martinez and will expire in 1987.

In February 1986 Lopez Reyes was forced to step down and depart for the United States while a successor was named in Honduras. Upon his return after a 15-day absence, Gen Lopez Reyes announced that he had applied for retirement from the Armed Forces; this finally became effective last week.

Lopez Reyes was one of the Honduran Air Force officers who played an outstanding role during the war with El Salvador in July 1969.

NICARAGUA

ORTEGA IN BELGRADE, VIEWS NONALIGNED SUMMIT

PA280052 Managua Radio Sandino in Spanish 0000 GMT 27 Aug 86

[Text] Nicaragua has officially submitted its candidacy to organize the Ninth Nonaligned Summit, President Daniel Ortega has said in Belgrade, Yugoslavia. Ortega added that if the summit is held in Managua, the Nonaligned Movement will be promoted in Latin America and the world. The unity of the movement, he said, must be reinforced, and in this point we agree with the Yugoslav leaders. President Ortega also described relations with Yugoslavia as friendly and said that the dialogue between Yugoslavia and Nicaragua will have special significance because it is being held on the eve of the Eighth Nonaligned Summit. Both Yugoslavia and Nicaragua have agreed to defend the movement through the affirmation of its authentic principles, Commander Oretega said. He also accused the United States of implementing a systematic policy of aggression against Nicaragua, imposing an economic blockade, rejecting the decisions of international courts, and sending advisers to the Somozists.

A report from Belgrade indicates that President Ortega said that the U.S. Congress' decision to approve the funds for the mercenary bands shows the U.S. desire to crush the Nicaraguan revolution. The Nicaraguan president said that the current U.S. interventionist policy against Nicaragua is similar to that carried out against other sovereign countries before the shameful Vietnam war. Daniel Ortega condemned the U.S. policy of economic boycott against Nicaragua, and he indicated that as a result of that policy there is a difficult economic situation in the country.

HUMBERTO ORTEGA NOTES STRONG MILITARY DEFENSE

PA280432 Managua BARRICADA in Spanish 24 Aug 86 p 3

[Article by Gabriela Selser]

[Text] Army General Humberto Ortega, Nicaraguan defense minister, reiterated his confidence yesterday in the efforts that Nicaragua will make at the nonaligned meeting to promote detente in the Central American region and thus remove the threat of a U.S. intervention. During a ceremony to grant promotions and make changes in the EPS military hierarchy, he said: "But this confidence must be based on the military organization and on the general organization of our people in national defense tasks."

He noted that this political-diplomatic effort, which began today with the tour of President Daniel Ortega of various countries, must be "supported by a greater fulfillment of all the missions demanded by the revolution," in order to avoid a war of major proportions in Central America.

The defense minister spoke at the military ceremony after promoting Colonel Joaquin Cuadra to major general and granting the rank of colonel to Brigade Commanders Hugo Torres, Julio Ramos, and Leopoldo Rivas, in line with the new list of equivalent ranks.

He said that despite 7 years of bloody struggle against the U.S. agression, the strengthening of the military institution in Nicaragua -- the EPS and the Interior Ministry -- has not stopped and therefore the great strategic victory lies in the irreversible process of defeat now being experienced by the counterrevolutionary forces.

He recalled that the proposal on the revolution's military doctrine, approved by the government and the FSLN National Directorate in August 1985, is the result of the development of the people's fighting forces which, in the 1979 triumph, amounted only to a rebel army with approximately 9,000 or 8,000 rifles.

"We had a general idea about defense, but not a higher sense of the military art," he added, noting that by 1985, after 6 years of the popular struggle, a military doctrine based on a massive organization around the basic defense forces had emerged.

Ortega said that Nicaragua will continue its efforts to build a modern and disciplined Army with a solid and coherent structure to face any type of aggression.

"We are no longer the fistful of men who began the Sandinist struggle 25 years ago. We are no longer the army of fighters who waged the liberation war in 1979. We are a revolutionary Army with more skill and more organized men than General Augusto Cesar Sandino had in the thirties," he added.

The leader explained that although the revolution has been changing the country's economic-social situation, "we are still very far from achieving the changes our people want." Our people, he noted, have made it a priority to defend this process with weapons in their hands to guarantee a better future.

He said that despite the siege laid against Nicaragua, the people have confidence in the present and the future and that although a greater sacrifices will be made and to be free even more blood than was shed in the past century will be shed, "thousands of invaders will bite the dust of defeat here just as they did in the Sandino era."

He reiterated that Nicaragua seeks civilized relations with the United States and the avoidance of any kind of confrontation or bloodshed of foreign solders in this country. However, he warned, "we are ready to fight those who disrespect us."

What else can we do except to get ready to face a possible U.S. military intervention, Ortega asked, warning that if Nicaragua's efforts to avoid the war fail, "there will be no other path than that of a consistent struggle. This struggle will be headed by our generals, colonels, lieutenant colonels, majors, and other officers with their willingness to fight for peace with the weapons in their hands."

FSLN TO DISPLAY ALL WEAPONS 8 NOVEMBER

PA281616 Buenos Aires REUTER in Spanish 0150 GMT 28 Aug 86

[Text] Managua, 27 Aug (REUTER) -- The ruling FSLN announced tonight that Nicaragua will publicly display all its weapons on 9 November, During its largest and most historical celebration. Speaking to thousands of university students, Commander Carlos Nunez, president of the National Assembly, was applauded enthusiastically when he announced the rally and large military parade.

For the first time the people will be shown all the weapons available to defend the revolution, he said. Simultaneously, there will be a rally at the country's largest square in Managua, he added.

"It will be a challenge for the Sandinist organizers in Managua, because only people in the capital will participate; not a single bus will be used to bring people from the other provinces. This will demonstrate the FSLN's real strength in Managua," he stressed.

It will be a multipurpose celebration: the 25th anniversary of the FSLN's founding; the 10th anniversary of the combat death of its main founder, Commander Carlos Fonseca; and the 50th anniversary of Fonseca's birthday. "It will be such a solemn act that there will be guests from all political parties with which the FSLN maintains relations. The invitations are being handed out by Commander Bayardo Arce's delegation at the German Social Democratic Party meeting and during his European tour, as well as by President Ortega's delegation during his trip to Harare," he said.

Nunez also said that "the workers and peasants are complying with their duties by increasing production." What we must do now is prevent the bureaucrats from wasting the citizens' time with bureaucratic restraints and have them treat the public more pleasantly.

DEFENSE MINISTRY REPORTS CRASH OF C-47

PA290103 Managua Radio Sandino in Spanish 0000 GMT 29 Aug 86

[Communique issued by the Defense Ministry in Managua on 28 August]

[Text] The Defense Ministry reports:

1. At 1000 today a Sandinist Air Force plane, a 1945 U.S. -made C-47, crashed during a routine flight in the sector of Mina Rosita, 17 km east of Siuna.

2. The Sandinist Peoples Army General Command has appointed a technical commission to investigate the cause of the regrettable accident.

3. Companeros Lieutenant Nelson Chacon Rivas and Lieutenant Nelson Machado Rosales, pilot and co-pilot respectively, were killed in the accident.

FOREIGN NEWSMEN CLAIM HARASSMENT BY GOVERNMENT

PA261543 San Jose NICARAGUA HOY in Spanish, Issue No 72, 23 Aug 86 pp 1, 4

[Text] Managua -- The Association of Foreign Correspondents in Managua [Asociacion de Corresponsales Estranjeros en Managua] has reported that Sandinist military personnel in the Atlantic area have confiscated photographic material from foreign correspondents and have arbitrarily arrested them.

The foreign correspondents in Managua issued a communique on 14 August reporting that "in the past few months correspondents have encountered increasing problems in their news coverage of the Atlantic area. We now find it almost impossible to conduct our professional duties as foreign correspondents in Nicaragua."

The press communique notes further: "Some correspondents have even been arrested, although they were invited by the Sandinist government or its representatives in the area."

According to the communique: "Foreign correspondents should be alert and careful when they go to the Atlantic coast."

A source close to the foreign correspondents' group, who asked not to be identified, said that the Sandinist government arrested newsman Scott Wallace of NEWSWEEK and Jose Saldivar of JORNADA as part of the "systematic restrictions imposed on foreign correspondents."

The source added that the newsmen were held for 2 days in Puerto Cabezas until they were released through the efforts of the newsmen's association which, however, could not prevent the confiscation of film and video cassettes taken in the Rio Coco area.

According to the source, colleagues Wallace and Saldivar were arrested 2 months ago. The incident, however, was not revealed until last week, after long deliberations among members of the newsmen's association.

Many of the approximately 60 foreign correspondents registered in Managua concurred that "our situation has worsened since the Sandinist government decided to close the opposition newspaper LA PRENSA indefinitely."

Among the international newsmen in Managua, there are several nationalities from the press, radio, and television. Most of them are from the United States.

Prior to this charge, two U.S. newsmen were deported after being questioned for almost 9 hours in the secret cells of the State Security corps.

BRIEFS

EEC DONATION -- (Joseph Blugnar), the FRG ambassador to Nicaragua, has stated that the EEC will continue to support rural development projects in Nicaragua. He made this statement after delivering an important donation of machinery, farm equipment, and supplies for producers to Deputy Minister Alonso Porras. The donation involved 30 tractors, 10 trucks, 14 transportation vehicles, 600 pesticide sprayers, 3,200 farm supplies, 4 units for use in mechanical shops, 250 toolboxes, 300 radios, and 60 tape recorders. This donation will be used in two rural projects, one of the agrarian reform and the other in the basic grains production area. This donation is part of the $27-million EEC credit. [Summary] [Managua Radio Sandino in Spanish 1759 GMT 22 Aug 86 PA]

NONALIGNED EXPERTS HOLD MEETING IN HARARE

Condemn U.S. Terrorism

PA271810 Havana International Service in Spanish 2300 GMT 26 Aug 86

[Text] Experts of the Eighth Nonaligned Summit countries met today in Harare, Zimbabwe. They condemned the policy of state terrorism conducted by the U.S. Government. Representatives of Iran, Syria, and Libya reported the various forms of U.S. interference in member-countries of the movement, such as Nicaragua and Libya.

In its afternoon session, the participants decided to recommend to the foreign ministers' meeting the participation of the Liberation Movement of New Caledonia as an observer. Australia, Mongolia, Greece, the British Commonwealth, and the regional organizations SELA and Economic Commission of West Africa were approved as guests.

In its morning session, the meeting of experts approved the draft agenda for the Eight Nonaligned Summit to begin on 1 September.

Choose Vice Presidents

PA281434 Havana International Service in Spanish 1800 GMT 27 Aug 86

[Text] The participants at the meeting of experts of the Nonaligned Movement have chosen Nicaragua, Cuba, Peru, and Guyana, to hold the office of vice president during the Eighth Nonaligned Summit. The delegates approved the draft agenda and issued a separate document with all the proposals and possible additions which will be analyzed at the meeting of foreign ministers.

The experts also studied the draft statement on the occasion of the 25th anniversary of the Nonaligned Movement. This statement will be read during a solemn opening ceremony on 1 September. Before the meeting ends, the high-ranking officials will have to choose the president of the political commission, as well as the group of African vice presidents.

MALMIERCA TO ADDRESS UN MEETING ON NAMIBIA

FL282146 Havana Radio Reloj Network in Spanish 2033 GMT 28 Aug 86

[Text] Foreign Minister Isidoro Malmierca will attend the UN General Assembly special session on Namibia which will be held in September. According to reports, in addition to Malmierca, 16 other foreign ministers are included in the list of speakers at the UN-sponsored meeting. It was also reported that over 100 countries have announced their participation in this session aimed at reactivating international efforts for Namibia to obtain its independence.

For the last 20 years, under the leadership of the South-West African People's Organization [SWAPO], Namibia has been waging a struggle to free itself from South Africa's illegal occupation.

POLITBURO MEMBER MEETS PORTUGAL'S CUNHAL

FL280249 Havana Radio Reloj Network in Spanish 0213 GMT 28 Aug 86

[Text] Politburo member Carlos Rafael Rodriguez has met with Alvaro Cunhal, secretary general of the Portuguese Communist Party. The two leaders exchanged opinions on the political and social situation of Latin America and Western Europe.

Rodriguez gave a detailed report on the foreign debt, oil and basic product problems confronting Latin America.

Cunhal referred to his party's policy and reiterated [illegible] fraternal relations that exist between the Communist Parties of Cuba and Portugal.

JOSE RAMON FERNANDEZ MEETS HUNGARIAN DELEGATION

FL290104 Havana Television Service in Spanish 0000 GMT 29 Aug 86

[Text] A delegation from the Hungarian People's Republic, headed by Jozef Marjai, Deputy Chairman of the Hungarian Council of Ministers and Cochairman of the Hungarian-Cuban Economic and Technical-Scientific Cooperation Commission, has arrived in Cuba.

Jose Ramon Fernandez, vice president of the Council of Ministers, who presides over the Cuban delegation, has met with the Hungarian delegation and held conversations analyzing the state of bilateral cooperation.

The Hungarian visitors will be in the capital until next Saturday.

PENALVER URGES WORKERS TO DISCUSS PARTY PROGRAM

FL280145 Havana Radio Rebelde Network in Spanish 2300 GMT 27 Aug 86

[Excerpt] Rene Penalver, member of the Communist Party of Cuba Central Committee and second secretary of the CTC [central organization of cuban trade unions] National Committee, has reported that all work centers in the country will begin discussing the fifth and sixth parts of the party program. During a press conference in Havana, Penalver added:

[Begin recording] The content of the fifth and sixth parts of the party program will be discussed between 1 and 20 September and are of primary importance.

We propose that approximately 2.5 million workers attend the discussion of this final section of the party program. [end recording] [passage omitted]

DISSIDENT WRITER SEEKS ASYLUM IN FRENCH EMBASSY

PA290418 Paris AFP in Spanish 0334 GMT 29 Aug 86

[Text] Havana, 28 Aug (AFP) -- Ricardo Boffil, Cuban dissident writer and philosophy professor, has been at the French Embassy in Havana for the past 48 hours, it was learned tonight from well-informed sources. A diplomat from the French Embassy consulted by AFP would neither deny nor confirm the information.

Ricardo Boffil has been living in a situation of limited freedom in Havana since 8 August 1985; he had been denied permission to leave the country.

BARBADOS

PRIME MINISTER CONTRADICTS ALLEYNE ON RSS

FL281804 Bridgetown CANA in English 1623 GMT 28 Aug 86

[Text] Bridgetown, Barbados, Aug 28, CANA -- Barbados today described as inaccurate a statement by Dominica's Attorney General Brian Alleyne that the island had agreed to participate fully in the Regional Security System (RSS).

Prime Minister Errol Barrow, in a statement issued to CANA through his press secretary, Don Norville, termed Alleynes Declaration inaccurate and said there have been no conversations between Bridgetown and Roseau on the subject.

...Mr. Barrow said today he had had no discussion with Mr. Alleyne or anyone else in Dominica on the Regional Security System, said the statement. The statement added that the question of the RSS was discussed with the government of St Vincent and the Grenadines. The two governments decided not to support the treaty, but allow the Memorandum of Understanding to remain with such reservations as had been expressed before, the statement concluded.

Alleyne told a Carribbean youth conference in Dominica on Tuesday that Barbados had confirmed the country's full participation in the system.

Barrow has frequently criticised what he considers as foreign efforts to militarise the region through the RSS. A formal treaty to govern the four-year-old RSS has been proposed. Following is the text of the statement from the Office of the Press Secretary of the Prime Minister:

Barbados Prime Minister Mr. Errol Barrow today described as inaccurate a statement allegedly made by Dominica's Attorney General, Mr. Brian Alleyne, regarding Barbados' position on the Regional Security System.

A CANA report from Dominica last Wednesday stated that Mr. Alleyne had told delegates at the Fourth Caribbean Youth Conference, being held there, that Mr. Barrow had confirmed his country's file participation in the system.

But Mr. Barrow said today he had had no discussion with Mr. Alleyne or anyone else in Dominica on the Regional Security System. He said, however, that the Government of Barbados had discussions with the government of St Vincent and the Grenadines and the two governments decided not to support the treaty but to allow the Memorandum of Understanding to remain with such reservations as had been expresed before.

(end of text).

GRENADA

DEMOCRATIC LABOUR CONGRESS PARTY CREATED

FL280053 Bridgetown CANA in English 2307 GMT 27 Aug 86

[Text] St Georges, Grenada, Aug 27, CANA -- Grenadians are launching another political party -- the Democratic Labour Congress (DLC) Friday.

There has been no official announcement of the party's hierarchy, but informed sources said the leader is ex-Junior Education Minister Kenny Lalsingh. Lalsingh resigned from the ruling New National Party (NNP) earlier in the year after being accused of misappropriation of government cement. DLC members, said the sources, include WInston Whyte, the leader of a number of defunct political parties, and Neville Rennie, an unsuccessful candidate for the Christian Democratic Labour Party (CDLP) in the 1984 general elections. In a statement issued today, the party was said to comprise like-minded Grenadians who intend to loosen the millstone that hung for decades and still hangs around the necks of Grenadians.

JAMAICA

MANLEY CALLS FOR RESIGNATION OF SEAGA GOVERNMENT

FL280014 Bridgetown CANA in English 2338 GMT 27 Aug 86

[By Paget de Fritas]

[Excerpts] Kingston, Jamaica, Aug 27, CANA -- Opposition Party leader, Michael Manley, today demanded the resignation of the Edward Seaga government.

He made the call in the wake of what he said was the government's abandonment of the International Monetary Fund (IMF) programme which was the centre-piece of its economic strategy during its campaign for power in 1980.

I call on the government to resign now and come to the people with what has happened and let them decide on what our future should be, Manley told journalists.

Manley, whose Peoples National Party (PNP), swept last month's municipal elections here, said that the IMF issue was only one factor which by itself would be grounds for a self respecting government to call a national poll.

He referred to the municipal election which the PNP turned into a confidence vote on the government, as well as last week's announced collapse of a large government/Israeli-owned high-tech farm for which no accounts have been published. The PNP leader stressed that the IMF issue was particularly critical.

Central Bank and government officials here have remained mum on the deep problems between Jamaica and the IMF, but reports from Washington say that the island has fallen behind by U.S.70 million dollars to the fund, making it virtually impossible for the island to reschedule debts and receive further support from external creditors. [passage omitted]

Claiming that the PNP had independent verification of the impasse, Manley said that now that the programme had failed, the government wanted to default in secrecy. It is a total betrayal of your obligation to the Jamaican people, he declared. With the government default, he said, the situation had moved from the arena of principle of the level of crisis. Manley said there was no basis for the PNP to join with the government to deal with the IMF on the broad national front. The government has run an arrogant and autocratic show, he charged.

DEMONSTRATION HELD AGAINST NETHERLANDS GOVERNMENT

FL282334 Paramaribo International Service in English 1730 GMT 28 Aug 86

[Text] A large number of demonstrators yesterday morning presented a petition to the Dutch Embassy here in which they called on the Dutch Government to immediately end its support for terrorists who are operating in Suriname.

The Dutch Government was also advised to call back the mercenaries. The demonstrators further demanded that Dutch Government end all interference in the internal affairs of Suriname and that accomplices who live in Holland must be arrested forthwith.

In a delcaration, which the demonstrators presented to the government and national assembly, they requested that the Dutch Government be condemned internationally.

Bouterse Speaks to Protesters

FL282245 Paramaribo International Service in English 1730 GMT 28 Aug 86

[Text] The relation between Holland and Suriname has to be evaluated. This was made known yesterday by government leader Desi Bouterse when he addressed demonstrators at the Monument of the Revolution. The demonstrators were protesting the involvement of the Dutch Government in the internal affairs of Suriname. Bouterse noted that the Dutch Government did not arrest Dutch nationals although these people were found to be preparing actions against Suriname on Dutch territory.

Speaking yesterday at the Monument of the Revolution, government leader Desi Bouterse expressed appreciation with the United States of North America for arresting 14 mercenaries who were on their way to Suriname to overthrow the government.

The commander told demonstrators that Holland is the mouthpiece of the Brunswijk gang because video tapes with Brunswijk and his gang were being reproduced on Dutch television. Bouterse called on the people to exercise some patience with regard to the Brunswijk affair. He said that Brunswijk is only a bank robber who is being used by other people. He explained that the Brunswijk gang is supported by the Dutch Information Service and that their actions are aimed at creating disunity among the people of Suriname.

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PAZ ESTENSSORO EXPLAINS STATE OF SIEGE

PY300318 La Paz Radio Illimani Network in Spanish 0020 GMT 30 Aug 86

[Speech to the nation by Bolivian President Victor Paz Estenssoro from Government House -- live; broadcast in progress]

[Text] That is not the right way to resolve the pressing problems we are enduring. Self-styled civic (?actions) and painful mass marches bearing flashy labels such as "March for Life and Peace" will not help us resolve the basic issues that worry the great Bolivian family.

The [words indistinct] labor and the so-called civic organizations do not realize the extent to which our economy has shrunk. They do not care that the refined tin we produce at an average cost of $10 per pound is being sold on the international market for $2.45 per pound. They do not ask themselves, and they do not try to figure out who pays the difference. Their concern and their studies do not go to the extent of telling the minewowrkers -- for whom I feel strong sympathy in their plight -- the truth about the [words indistinct] consequences that this [difference between cost and price of tin] has for all Bolivians and especially for the working class.

It would seem they are not worried about the nation's plight. In the final analysis, they have only one objective: to remove the current government.

In my latest message to the National Congress, I stated that the refusal to abandon fiction and face reality as it is, has led to the situation we must now endure. I cannot understand how anyone can fail to realize that all the enterprises of the Mining Corporation of Bolivia [Comibol] are losing heavily, and that these losses cannot be absorbed by the economy -- which is experiencing a severe crisis -- without unleashing once again the hyperinflation that used to punish the people cruelly, especially the working class.

The structural changes of the Comibol are not intended -- as certain radical labor and political leaders who distort the truth would have us believe -- as a step backward, but rather as a heroic attempt to preserve what is left of a mining industry that cannot remain afloat under the present conditions.

This program, aimed at maintaining and making profitable the operations of Comibol, has unleashed an irrational reaction from all levels of the mineworker's leadership. This, coupled with regional problems and with the help of many disgruntled politicians, has led to a provocative adventure called the "March for Life and Peace," in which thousands of humble people who are obviously experiencing problems caused by the severe crisis we are experiencing were enrolled for a long march designed to make the government back off from its project to rescue Comibol from disaster.

[Words indistinct] that the marchers were being sacrificed for a utopian social and economic proposal and a political endeavor of clear-cut insurrectional connotations. As days passed, the mechanism plunging us toward an unfathomable social commotion was being activated.

The media coverage the march received and the [words indistinct] of the Bolivian people showing the large mass of people marching toward Government House in order to submit petitions, created an atmosphere of commiseration within which the pilgrims were shown as heroes and the government was depicted as a stubborn [word indistinct].

Nothing could be farther from the truth. No one wants Conibol to disappear. On the contrary, the idea is to save whatever positive aspects are left of the state-owned mining industry and to lay the foundation for the adjustment of this industry to the current conditions of the international metals market by directing attention to other minerals like silver and lead, not just tin.

The objective of the march initially represented a legitimate right to make a petition, although the method employed implied intolerable pressure exerted by those who thought the excesssive political power of the labor unions was in trouble.

The paralysis of two departments caused vast harm to the national and local economy and threatened to plunge us into a state of social upheaval of unfathomable consequences. Economic and social considerations forced the government to lay the state of siege in keeping with the express stipulations of the national Constitution. The implementation of this state of siege will mean curtailing the individual rights only of those who are persist in the endeavor to destablize the democratic regime.

The government is not unfeeling toward the hardships of the working class because of the economic crisis. After the economic reorganization measures currently in effect, the government plans to implement very soon public projects and settlements to new lands, thus employing the inactive labor force. It will also search for other means to alleviate the situation of the [words indistinct].

I would like to make a fraternal call upon all Bolivians, without regard for political position, to get the country on its feet, to be generous enough to think about the nation as a whole and not just about partisan interests. Let us take the path of serving the supreme interests of the nation and let us enter into a pact to save the fatherland.

When I talk about this land of ours, I definitely include the people of the working class who certainly deserve a better future. We shall spare no effort to make this come true. Help me raise this country from the rubble. Let us not allow ourselves to be defeated by these problems so we will be worthy of being called Bolivians.

Police, Demonstrators Clash

PY020311 Madrid EFE in Spanish 0244 GMT 2 Sep 86

[Text] La Paz, 1 Sep (EFE) -- A serious clash between police and demonstrators, protesting the reinstatement of the state of siege in Bolivia, took place today a few hours before Congress met to analyze the government's decision.

According to initial report, 1 guard died, 10 people were injured, and about 50 demonstrators were arrested by security forces after a clash that took place in Cochambaba, 400 km east of La Paz.

The demonstration was organized by the Cochabamba University Students Federation: to protest the reinstatement of the state of siege in Bolivia; to demand the release of the arrested protesters; to support regional demands; and, to request the withdrawal of the U.S. troops stationed in Bolivia since 16 July.

In turn, the cabinet today attended a congressional session during which Foreign Minister Guillermo Bedregal read an official report on the reasons and purposes behind the state of siege, which he qualified as an "emergency" measure the government was forced to adopt. Bedregal said the Mining branch should be well aware of the miners' problems, and read a detailed summary of the development and conflicts of this sector.

He said that the Mining Corporation of Bolivia [Comibol] -- a state company in charge of managing all the nationalized mining districts -- was created by the Nationalist Revolutionary Movement [MNR], which is currently in power, and that, therefore, it is up to the MNR to also define its future.

The analysis of the state of siege measure will continue tomorrow and must conclude either with the ratification or rejection of the government decision.

COB: End of State of Siege

PY020242 Madrid EFE in Spanish 0143 GMT 2 Sep 86

[Text] La Paz, 1 Sep (EFE) -- The Bolivian Labor Confederation [COB] has decided to demand that the government lift the state of siege as a precondition for holding talks to try to solve the current social crisis.

A document released today by a clandestine COB leadership states that it is necessary for the executive branch to comply with this demand and to allow authorities of the Catholic Church to mediate so, "the workers' voices will be heard," and to leave aside "authoritarian and haughty positions."

The COB communique also states that it will remain in a state of alert. It demands the immediate release of all the arrested labor leaders, as well as an immediate solution to "the problems of all the Bolivian workers, mainly those of the mineworkers."

It also states that in order to find "the pact to save the country" -- mentioned by President Victor Paz Estenssoro in his last message -- it is necessary: to withdraw the U.S. troops; to annul the tax reform law; to suspend the foreign debt payments; and, to cancel the immigration of 5,000 Chinese families to Bolivian territory.

The document terms the military cordon imposed on the "March For Life" of more than 8,000 mineworkers as "a war declaration by the government on the Bolivian nation." It adds that the "war materiel is financed with the mineworkers and the Bolivian people's efforts should never be pointed against them. On the contrary, it should be used to protect the country," and "the people in order to allow their voice of protest to be heard in fact of the inhuman conditions to which they have been submitted."

In conclusion, the COB communique asserts, "the Bolivian workers will continue to struggle without fail for the restitution of their sectoral and national achievements, which have been trampled on, by concentrating on the national mining and metallurgic sector problem and the defense of the state economy sector."

MARCHERS TO RETURN HOME, TENSIONS DECREASING

PY291611 La Paz Radio Panamericana in Spanish 1430 GMT 29 Aug 86

[Excerpts] [Broadcast in progress] [Enrique] ... the tension of the past few hours, we want to report that, well, the tension (?caused by) the state of siege has decreased. We also want to say that according to Interior Ministry sources, the situation is totally calm, particularly in La Paz.

[Reporter] Right Enrique. We can also report that school activities are normal.

[Enrique] An official congressional delegation headed by Deputy Gonzalo Valdas went to Patacamaya [words indistinct].

[Reporter] I think it is Calamarca, right?

[Enrique] Right. The delegation went there to become acquainted with [passage indistinct].

[Begin Valdas recording] [passage omitted] The FSTMN [Trade Union Federation of Bolivian Mineworkers] and the leaders of all the miners unions have made a key decision. They have decided on the orderly return of marchers in view of the situation caused by the state of siege and the military cordon around the marchers. Pursuant to this objective, two [words indistinct] convoys are approaching Calamarca. Also, (Penta) buses will be provided for transporting the miners. I must say that the congressional multiparty commission and the church have greatly helped settle the situation and obtain from the Armed Forces the promise to keep calm while the marchers begin their orderly return this morning. [passage omitted] [end recording]

Arrested Marchers Isolated

PY292049 Madrid EFE in Spanish 1852 GMT 29 Aug 86

[Text] La Paz, 29 Aug (EFE) -- Defense Minister Luis Fernando Valle today reported that those arrested during the first day of the state of siege -- which was decreed by the government yesterday -- will be sent to isolated tropical areas in western Bolivia.

The Interior Ministry has confirmed the arrest of 161 people, among whom are union, political, and journalist leaders, while human rights and union organizations have asserted the number of arrested surpasses 270.

Del Valle said: "Those arrested who were involved in disorders will be sent by Air Force planes to isolated areas." He added: "We shall not make the same mistake we made last year when we confined people who were not directly responsible for the disorders, while others who were responsible for promoting conflicts were set free."

In September 1985, the government decreed a state of siege to confront a general protest against its economic policy, and ordered the arrest and confinement of hundreds of persons. Puerto Ruco, in Pando Department, and Magdalena and Ixiamas in the Beni Department -- where the U.S. support troops in the stuggle against drug trafficking are headquartered -- were the places of confinement at that time.

Defense Minister Valle also said that since early this morning, workers who took part in the "March for Life" have started to return to their places of origin aboard vehicles provided by the police and the Armed Forces.

Over, 8,000 workers, including women and children, have been cordoned off by the Army since the evening of 28 August and they have not yet received any supplies or medicines. Legislative and church commissions tried in vain to break through the Army barrier to bring water and food to the marchers.

The Bolivian Church today expressed its concerns over the atmosphere of fear and tension resulting in the enforcement of exceptional measures by the government, while La Paz Archbishop Jorge Manrique has charged the authorities with flagrant human rights violations.

AFP CORRESPONDENT RELEASED AFTER 3 DAYS

PY302245 Paris AFP in Spanish 2101 GMT 30 Aug 86

[Text] La Paz, 30 Aug (AFP) -- AFP correspondent in Bolivia and Executive Secretary of the Federation of Bolivian Press Workers [FTPB] Andres Soliz Rada, was released here today after being under arrest for 3 days in Interior Ministry offices.

Soliz Rada was released after labor leaders from his sector met with Interior Minister Fernando Barthelemy. They asked the minister to allow national and foreign journalists to carry out press activities normally throughout the country.

The AFP correspondent was arrested on 28 August in his home after the government decreed a state of siege. The state of siege was a result of the march of 7,000 workers from Oruro to La Paz, and a general stoppage in the mining departments of Oruro and Potosi. There was solidarity throughout the country for the march.

National and foreign journalists organizations requested that President Victor Paz Estenssoro's government free Soliz Rada, given his position as a journalist and press sector union leader.

MINISTRY COMMUNIQUE ON JAPANESE SPOKESMAN

PY291837 Rio de Janeiro O GLOBO in Portuguese 28 Aug 86 p 21

[Communique issued by the Planning Ministry]

[Text] The Planning Secretariat of the Presidency of the Republic [Seplan] has received with great astonishment a report from the UPI news agency datelined Tokyo quoting a brief statement by Mr Takao Akabane, spokesman for the Japanese Economic Planning Agency. According to the report, Mr Akabane said that Brazil is allegedly forming a common front with the debtor countries to confront the IMF. The report even said that Mr Reischstul allegedly is renegotiating Brazilian debts with Japan and mentioned other totally unfounded details about negotiations.

Regarding this subject Seplan must clarify:

1. Mr Henri Phillipe Reischstul is a member of a Brazilian mission that has the objective of increasing the technological cooperation between the two countries. This mission has never contacted Japanese companies or organizations with the purpose of renegotiating Brazilian debts.

2. Mr Reischstul has carefully studied the news agency report, denied its contents entirely, and denied knowing its origin.

3. Given the seriousness of Mr Akabane's statement, Seplan Minister Joao Sayad has invited Mr Koichi Komura, Japanese Ambassador to Brazil, to his office in the Seplan to express the Brazilian displeasure at Mr Akabane's statement. Ambassador Komura said he would clarify the incident with this government to prevent further misunderstandings stemming from this report.

Brasilia, 27 August, 1986.

Seplan/Social Communications Coordinating Office

[Coordenandoria de Comunicacao Social]

Request for Explanation

PY291930 Rio de Janeiro O GLOBO In Portuguese 28 Aug 86 p 21

[Text] Brasilia -- Planning Minister Joao Sayad yesterday summoned Japanese ambassador to Brazil Koichi Komura to ask him to clarify the statement made in Tokyo to UPI by Japanese Economic Planning Minister Takao Akabane that Brazil is forming a united front of debtor countries to face te IMF. The Japanese minister also accused Planning Ministry Secretary General Henri Philippi Reischstul, who is in Tokyo to discuss the possibilities of greater technological cooperation between the two countries, of threatening the Japanese creditor banks.

The Japanese ambassador said that he will contact his government so that this piece of disinformation is not spread further.

According to a note released by the Social Communications Coordination office of the Planning Ministry, Reischstul contacted the Planning Ministry as soon as he learned of the interview granted by the Japanese ministers to UPI, and totally denied the report.

EMBASSY ATTACKED, STUDENTS CLASH WITH POLICE

PY300347 Madrid EFE in Spanish 0241 GMT 30 Aug 86

[Text] Santiago, 29 Aug (EFE) -- Unidentified individuals today fired machinegun bursts from a car at two Carabineros who were guarding the South African Embassy in Santiago. According to the state press agency, ORBE, the attack occurred at 2030 and the two Carabineros were not hit.

In another incident, groups of Santiago University students clashed with police after trying to demonstrate on streets near the university.

The official Santiago University communique did not report any arrests but pointed out that the students responsible for the incident "are activist minority groups who provoke the police and frighten the population."

Arsenal Found at University

PY020202 Santiago Domestic Service in Spanish 2300 GMT 1 Sep 86

[Text] An arsenal containing home-made weapons was found at the Metropolitan University. The discovery of such an arsenal on the premises of the Metropolitan University of Education Sciences -- the former Teachers Institutes -- caused the Metropolitan University of Education Sciences to issue a communique, which states the following:

Quote, Molotov cocktails, slingshots, pots containing chemicals used to make explosive and incendiary devices, and various items of a subversive nature, were found in the sewers, rest rooms, gutters, ceilings, and [word indistinct] of the Metropolitan University of Education Sciences.

During a thorough search of the premises, hand-operated mimograph machines used to print subversive leaflets were also found.

A national flag, bearing offensive political slogans of the Socialist Party and Salvador Allende's figure, was found among the material.

A huge number of pamphlets giving instructions to conduct terrorist actions, clothes, parkas, handkerchiefs, and ski masks used during violent actions were also found.

The Metropolitan University of Education Sciences deems it their duty to denounce to the university community and the public this situation promoted by a violent group which -- although it is a small group -- uses all destructive means against people and property, regardless of the loss of human life, to wreak havoc and disrupt order and tranquillity.

According to their instructions, these groups have the goal of staging concerted actions in several places as a way to impose their ideology.

The Metropolitan University of Education Sciences reasserts its commitment to safeguard the very essence of the university and to guarantee the fulfillment of its institutional goals which seek to [word indistinct] interests foreign to its activities, unquote.

MILITARY COURT INDICTS 21 IN ARSENAL CASE

PY310213 Paris AFP in Spanish 2326 GMT 30 Aug 86

[Excerpts] Santiago, 30 Aug (AFP) -- The Chilean military court today indicted the 21 persons detained by the National Intelligence Center [CNI], who have been held incommunicado since the discovery of the arsenals in the northern part of the country.

Judge Advocate Lorenzo Andrade, who is investigating the case, informed all detainees at the Santiago Penitentiary about the indictment, while the only woman involved in the discovery of the weapons, Margarita Astudillo, received the information at the San Miguel prison. [passage omitted]

CAUCE DIRECTOR, JOURNALIST INDICTED BY COURT

PY301802 Santiago Domestic Service in Spanish 1630 GMT 30 Aug 86

[Text] Gonzalo Figueroa Yanez, director of the magazine CAUCE, and Ariel Poblete, a journalist of the same magazine, have been indicted by Judge Advocate Enrique Gonzalez Vera of the 2d Military Court.

The two newsmen are accused of infringing Article 284 of the Military Justice Law under which insults against the Armed Forces are punishable. The two newsmen were reported by the National Intelligence Center because of an article in the CAUCE issue published 25 August. It should be mentioned that Article 284 of the Military Justice Law provides for punishing ranging from 541 days to 10 years imprisonment.

UP CONGRESSMAN KILLED 30 AUG IN BARRANCABERMEJA

PA311920 Paris AFP in Spanish 1812 GMT 31 Aug 86

[Text] Bogota, 31 Aug (AFP) -- A member of the Colombian Chamber of Deputies, Leonardo Posada of the Patriotic Union [UP], was murdered last night by two unidentified individuals in Barrancabermeja, an oil port in the north, the police reported today.

The attack took place in the city streets after Posada had attended a political meeting.

The murderers fired several shots at Posada: he died of a bullet wound in the head 1 hour after the attack.

Posada, 36, was active with the Colombian communist youth from the time he was very young; he held several posts within the party. He was a member of the Central Committee of the Communist Party of Colombia [PCC], a representative to the Chamber of Santander Department, and a council member for Barrancabermeja.

His party, the new Political Movement of the Left, sent him to Barrancabermeja to conduct proselytizing activities in this important oil port.

The PCC Central Committee told AFP that it was angry over the murder of their leader Posada. It also said it renders homage to this new martyr in the struggle against militarism and in favor of a vanguard democracy. It demands that President Virgilio Barco adopt a strong action to unmask the enemies of the peace process, as well as promptly investigate this serious attack.

It emphasizes that "we reiterate our firm will to continue struggling until there is a democracy that will respect the rights to human life, work, and progress of society."

PCC Blames Landholders

PA311820 Bogota Cadena Radial Super in Spanish 1730 GMT 31 Aug 86

[Text] The PCC has blamed the middle Magdalena area landholders for the murder of the UP Congressman Leonardo Posada.

The UP issued a communique condemning the death of the congressman, and insisted on its firm plans to continue cooperating with the peace process that seeks a mature democracy based on firm and responsible criteria.

The PCC also said that the establishment of a democracy should [word indistinct] a respect for human life, the right to work, and the right to continue progressing within national peace.

National Strike Called

PA012326 Hamburg DPA in Spanish 2229 GMT 1 Sep 86

[Text] Bogota, 1 Sep (DPA) -- The pro-Soviet FARC announced today it will uphold the truce signed with the government, but warned that, through its political movement -- the UP -- it will call for a national civic stoppage.

The announcement was made from the "Green House" camp in the mountains of the eastern range of the Andes by the FARC ideologist, Jacobo Arenas, following a talk with UP coordinator and former presidential candidate Jaime Pardo Leal.

The strike called by the FARC and the UP is to reject the fact that several UP political leaders have been murdered since the 9 March legislative elections.

Two UP congressmen have been murdered in the last 48 hours. Leonardo Posada Pedroza was murdered Saturday night in the Barrancabermeja river port, and Senator Pedro Nel Jimenez Obando was murdered today by unidentified individuals in Villavicencio, east of Bogota.

Leaders To Demand 'Guarantees'

PA012157 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 1 Sep 86

[Text] The leaders will meet today with Government Minister Fernando Cepeda Ulloa to demand more guarantees for their militants. The UP has charged that the murder of alternate represemtaive Leonardo Posada Pedroza on Saturday in Barrancabermeja brings to 13 the number of their spokesmen in public institutions who have been killed in recent months.

The UP warned that the truce with the FARC is also jeopardized by the military operations being conducted in 12 of the 27 fronts of that organization. The UP leadership said that Congressman Posado Pedroza had received several threats which the UP had reported to the government and requested protection for him.

Posada Pedroza was also a member of the Central Committee of the Communist Party of Colombia [PCC]. The PCC asked President Barco Vargas to adopt strong measures to unmask the enemies of the peace process and order a prompt investigation of the murder.

The leaders of the Liberal Party in Santander, such as Senator Horacio Serpa Uribe, have said Posada Pedroza was a leader who strongly influenced the peasants in the middle Magdalena area, where his participation was important in achieving the atmosphere of peace that has prevailed in the area since mid-1984.

Leonardo Posada Pedroza's body lies in state in the National Capitol and will be buried today in Bogota.

FEBRES CORDERO ASKS PRIVATE SECTOR TO SACRIFICE

PA010426 Quito Voz de los Andes in Spanish 1230 GMT 31 Aug 86

[Text] President Febres Cordero has stated that the private sector, particularly industry, must assume with fervor, determination, and without any reservations its quota of sacrifice within the common and great effort to overcome the crisis caused by the drop in the international oil prices and to preserve the wonderful outlook of economic and social progress.

He made these statements during a solemn ceremony to commemorate the 50th anniversary of Guayaquil's Chamber of Industries.

Referring to the country's economic crisis, he said the dilemma is clear and there is no way out. Either private enterprise will nobly and actively assume the biggest share of the solution -- because it is not acceptable that this burden is borne most heavily by the poor -- the most serious difficulties will be overcome, and a big area for the activity and expansion of all the sectors will be opened, or it will selfishly and narrowmindedly refuse to give its patriotic contribution, which is indispensable, the difficulties will increase, and, amid all this whirl of a crisis, freedom, justice, and the private sector will sink.

The president also said that according to the Constitution, the laws, and logic, the executive branch must establish and implement the country's economic policy.

NEW GROUP CLAIMS ESCAPE OPERATION CREDIT

PA281600 Quito Radio Quito in Spanish 2300 GMT 27 Aug 86

[Text] A new subversive organization, the self-styled International Revolutionary Commandos [Comandos Revolucionarios Internacionalistas] has claimed responsibility for an operation in which criminal Kleber Gia Bustamente and two other inmates escaped from the Garcia Moreno penal center.

The organization affirmed that Gia Bustamente's escape has no relations to the Alfaro Lives terrorist group or to an escape conducted at the Eugenio Espejo Hospital that claimed the lives of three young policemen.

The police have no clues that could lead to the recapture of the escaped criminals, and are amazed at the tactical manner in which a tunnel was dug toward the sewers.

AIR, NAVAL EXERCISES WITH N.A. TROOPS END

PA010345 Quito Voz de los Andes in Spanish 1230 GMT 31 Aug 86

[Text] Guayaquil -- The air and naval power that Ecuador has to defend its territory, as well as the high degree of scientific and technical training that its officers and troops have in the art of war, was undoubtedly shown during the "Blue Horizon" and "Unitas" exercises that are being carried out jointly with North American troops.

FAE [Ecuadoran Air Force] members under the command of Brigadier General Marcelo Salvador showed their great courage and expertise in sonic [sonico] flights almost at ground level, the interception of enemy aircraft, and the tactic firing exercises showing the correct precision and altitude in air attacks.

BOMB EXPLODES IN SHOP OWNED BY SOVIET CITIZEN

PY312154 Madrid EFE in Spanish 1849 GMT 31 Aug 86

[Text] Lima, 31 Aug (EFE) -- Six Soviet sailors, who were injured during a terrorist attack perpetrated yesterday at a shop in El Callao, Lima's port, were not sent to their country today because of their serious condition.

A spokesman for the Soviet airline Aeroflot and the guide of the sailors, who worked on small Soviet fishing boats operating in Peruvian territorial waters, have said at Lima airport that the sailors will presumably leave for the Soviet Union next Tuesday.

Both sources confirmed that one of the injured sailors, who lost both legs and his right arm as a result of the explosion at the shop is fighting for his life. They also said that a total of six people were injured during the bomb attack.

Four of the injured sailors, among them the one who lost his legs and his arm, are hospitalized at the San Juan de Dios Hospital in El Callao and the other two at the San Felipe clinic in Lima.

The shop, which is owned by Oller Bilinskiuna, a Soviet citizen, and is usually frequented by Soviet and Polish sailors, is located very close to the Callao provincial police chief's office of the Peruvian Investigative Police (PIP) at Lima's port.

The preliminary investigations conducted by the police indicate that the explosive device was planted under the shop's counter.

Zulema Ramos, the owner's wife, who was also inside the bazaar with her husband at the time of the explosion emerged unharmed. She said that a young woman came in asking prices, and left without buying anything.

The left-wing newspaper LA VOZ today reported receiving a telephone call yesterday in which someone representing the subversive group Tupac Amaru Revolutionary Movement [MRTA] denied that that group perpetrated the attack. "The attack was perpetrated by some right-wing group," the caller said.

The Soviet Embassy has not as yet made any statements on this case.

Soviet Embassy Condemns Attack

PY010228 Madrid EFE in Spanish 0210 GMT 1 Sep 86

[Text] Lima, 31 Aug (EFE) -- The Soviet Embassy in Peru today condemned a terrorist attack of 30 August which left six Soviet sailors wounded, and conveyed its belief that the attack was perpetrated by "enemies of normal relations between the two countries."

In an official communique, the Soviet Embassy refers to an attack perpetrated at the Najodka shop, in El Callao, where a bomb wounded six Soviet sailors. According to the communique, one sailor is in serious condition.

The communique adds that a group of Soviet citizens was at the shop when the explosion occurred and the Peruvian police are investigating the attack. The communique concludes by voicing hope that the Peruvian authorities will clear up the incident.

Commenting on the bloody attack, War Minister Jorge Flores stated here today that terrorists "are seeking to create problems between Peru and the Soviet Union." Flores described the attack as "condemnable," and voiced his opinion that the attackers were members of the Maoist Shining Path which, he said, "is seeking to create problems and is attacking everyone indiscriminately."

STATE OF EMERGENCY EXTENDED IN LIMA, EL CALLAO

PY010110 Madrid EFE in Spanish 0036 GMT 1 Sep 86

[Excerpt] Lima, 31 Aug (EFE) -- The government today extended for 60 days the state of emergency in Lima and El Callao, Lima's port. However, the government fully reinstated the right to hold meetings and partially reinstated the right to move freely throughout the national territory to facilitate the electoral campaign for the nunicipal elections.

The governmental decision was made through a supreme decree published today by the official gazette EL PERUANO. The decree also states that the constitutional rights concerning personal rights and safety and the right against search and seizure remain suspended.

The supreme decree states that the prefects will establish he guidelines for holding meetings, as provided for by the Constitution, while the Armed Forces will continue to maintain internal order in Lima and El Callao. [passage omitted]

JOINT NAVAL MANEUVERS WITH BRAZIL END

PA291859 Caracas Television Service in Spanish 1600 GMT 29 Aug 86

[Text] The military maneuvers carried out by the Brazilian and Venezuelan Navies on the coasts of Margarita and the Los Roques archipelago were a success. The Brazilian ships that participated in the maneuvers were the destroyer Mariz E. Barros and the frigate Liberal, while Venezuela utilized the frigates Mariscal Sucre, General Soublette, and General Salom, the submarine Caribe, and patrol boats Constitution and Patria.

During the maneuvers there were firing practices, fuel, water, and light cargo transportation practices. The Brazilian officers were pleased with the results of the joint maneuvers, the fourth conducted between Venezuela and Brazil.

Brazilian commander Captain Luis Hernandez, and his Venezuelan counterpart Diego Munoz Castillo, feel that these joint maneuvers are very useful. Brazil and Venezuela have already begun plans for future military maneuvers, which will be aimed at developing better defense systems and updating their naval knowledge.

LEPAGE RESIGNS, NEW MINISTERS NAMED

PA020157 Caracas Television Service in Spanish 0000 GMT 2 Sep 86

[Excerpts] Venezuelan Interior Minister Octavio Lepage resigned his post irrevocably today to run as the Democratic Action Party's presidential candidate during the 1988 electoral campaign. [passage omitted]

His two page resignation addressed to the president explains the reasons for his resignation. He first announces his presidential aspirations and justifies them as a genuine objective. He continues that he feels fully entitled to continue to serve the country in the presidency. His letter concludes: This would be the climax of a life devoted consistently to the struggle to establish and consolidate democracy in Venezuela. Lepage says that, despite his resignation, he does not regard as convenient -- either for the government or his party, or the country -- an anticipation of an internal struggle. He reiterates that the campaign should be postponed. Finally, he says he regards as possible an agreement among all candidates for an accord without any subterfuge. The letter also describes Lepage's solidarity with the government's initiatives to cope with the crisis and notes that the president has succeeded in effecting the risky transition from a country that lived in opulence and dilapidation to an entirely different one.

Lepage has been replaced as interior minister by Jose Angel Ciliberto, who was minister of development until today. Ciliberto was sworn in this afternoon by President Lusinchi. Gustavo Miraval Bustillos will become the new minister of development and will cease to be governor of Miranda state. [passage omitted]

DE LA MADRID ADDRESSES FOREIGN POLICY ISSUE

FL012145 Mexico City NOTIMEX in Spanish 1819 GMT 1 Sep 86

[Text] Mexico City, 1 Sep (NOTIMEX) -- Mexico's foreign policy principles were ratified today by President De la Madrid when he repeated resolute support for the Contadora Group and for the initiative of the Group of Six on peace and disarmament.

Foreign policy is an essential bulwark for the defense of the fatherland, De la Madrid stressed in his fourth government report. He reiterated the continued use of diplomatic channels for solving differences and controversies. There must be political dialogue and not the use of power.

The president said all countries should reinitiate the struggle in favor of a new international cooperation order which will include the legitimate aspirations of our countries. It is essential, he stressed, to do away with the prejudice that a new international economic order represents a quest for more demands exclusively for developing nations.

Mexico has insisted on the fact that there can be no real peace without consistent development. A world of peace will only be possible to the degree that very old needs and historic denials are satisfied, the president noted.

President De la Madrid also referred to the last meeting of the Group of Six, of which Mexico is a member. During the meeting, he said, Argentina, Greece, India, Sweden, Tanzania, and Mexico had reaffirmed the need for the nuclear superpowers to end the irrational arms race and to agree, as soon as possible, on a process of general and irreversible nuclear disarmament.

With respect to the Central American conflict, he said the Latin American governments which are members of the Contadora peace-seeking process and its support group have not ceased in their efforts to promote a dialogue and negotiations to safeguard the legitimate interests of the countries in the region and safety in the area.

He said Mexico believes it is essential to strengthen and deepen the process of diplomatic negotiations as the best alternative in the face of a generalized war, but that this depends on the political will of the sides in conflict.

Regarding the two rounds of talks he held with U.S. President Reagan, De la Madrid said these meetings were aimed at making possible a dialogue and communications, in addition to activating and strengthening the relations of bilateral cooperation.

More on Government Report

FL011924 Mexico City NOTIMEX in Spanish 1924 GMT 1 Sep 86

[Text] Mexico, 1 Sep (NOTIMEX) -- Upon presenting his fourth government report to congress, President Miguel de la Madrid has warned that it would be a serious historical error to allow domestic and foreign pressures to risk our national well being.

We have serious problems in 1986, he said. Nevertheless, he continued, the nature of the problems is not the same as that of 1982 and if the drastic fall in oil prices had not occurred, this year our economy would have continued its growth and inflation would have been reduced.

Last year we experienced pressures, criticism, foreign deception (asechanzas externas), and because of this, we have had to make an effort to prevent our country's independence and sovereignty from suffering, De la Madrid said.

In addition, De la Madrid denounced the existence of minority groups which try to take advantage of the country's difficult situation to overturn the system derived from the Mexican revolution.

Because of the economic crisis, the enormous social transformation, natural adversities, and foreign attacks, a feeling of uncertainty has developed which, because of naivete, ignorance, or bad faith, has been exclusively blamed on the government.

Because of this, the president called for avoiding facades which appear to the rest of the world to be expressions of contentment and confidence.

The current crisis does not exclusively belong to Mexico, he said. We live in the midst of a world with serious threats and difficulties, stressed De la Madrid. He stressed that these are times of change which require wisdom and decisive action and society should make an effort to be objective and evaluate problems, actions, and results.

The president said serious problems occurred on 1 September 1985 which aggravated the difficulties we are confronting. He referred to the earthquakes and falling oil prices which complicated the situation.

Nevertheless, he said, the revolutionary regime has always had a response for change, and because of this, the current government is capable of confronting the situation efficiently as well as the difficulties creating pressure.

The president again strongly rejected the claims that only the will of the president exists in the country and that Mexico either stands or falls in a six-year period. Under the new guidelines, said De la Madrid, the government is acting serenely and bases its actions on law.

He then demanded reinforcing the certainty of our convictions and the will to continue national projects. He expressed his certainty that we have not fallen into the temptation of overturning our achievements using political pretexts or the crisis as an excuse to damage freedom.

The economic solution requires work and effort, he said. Policies require responsible pluralistic participation, said the president. He reiterated his goal of maintaining and strengthening pluralism and democratic political development as part of our changing society.

CUBAN EXILES SEEK DELVALLE'S HELP TO GO TO U.S.

PA261816 Panama City EL SIGLO in Spanish 26 Aug 86 p 22

[Text] Cuban exiles stranded in Panama with transit visas staged a public demonstration yesterday outside the installations of television Channel 5. They demanded that President Delvalle grant them social protection and exert his influence before the U.S. Government so that they may be allowed to enter the country.

The Cubans took to the streets 1 week after they requested the president's assistance in obtaining jobs, and educational and health aid, from authorities.

In what appears to be the beginning of a major internal crisis prompted by the indiscriminate flow of Cubans in transit from Panama into the United States, anti-Castro activists participated in the demonstration to ask President Delvalle to obtain 20,000 U.S. visas for them.

Our reporter, Alex Gongora Torres, went to the site of the demonstration and noted that the Cuban exiles are asking for almost the same things which are in short supply in Panama: jobs, and medical and educational assistance.

The demonstrators later went to the U.S. Embassy to explain their situation; the Reagan administration maintains its stance of banning the entry of Cubans from third countries into the United States.

With the support from the Cuban community in the United States, that government will soon implement harsh restrictions to curb the entry of more Cubans into the United States.

At publication neither the Presidency of the Republic nor the General Immigration Directoraate of the Defense Forces have commented.

COLOMBIAN DRUG TRAFFICKER OCHOA SOUGHT HERE

PA271938 Panama City EXTRA in Spanish 27 Aug 86 p 1

[Text] U.S. DEA officials here have requested their Panamanian counterparts from the Special Anti-Narcotics Forces to begin a search throughout the country for Colombian drug trafficker Jorge Luis Ochoa Vasquez.

Ochoa, who was extradited from Spain to Colombia some weeks ago, disappeared from Colombia after a judge released him illegally on a $10,000 bond.

The drug trafficker's release has angered U.S. authorities who had sought Ochoa because of his attempts to introduce cocaine and marijuana into the United States.

DEA has now "recommended" Colombian and Panamanian authorities begin a man hunt for Ochoa.

Jorge Luis Ochoa has many contacts and friends here, especially with people linked to horse racing activities to whom he has sold thoroughbreds and pacers.

There was a rumor that an Ochoa group called "The Clan" had murdered Panamanians Cesar "Captain Poison" Rodriguez and Ruben Dario Paredes Jr in Medellin, Colombia.

The strong ties between Ochoa and top Panamanian personalities were proven when General Ruben Dario Paredes held a secret meeting with one of the members of the group which denied its participation in the assassination of Cesar and Ruben Jr.

It is currently believed that Jorge Luis Ochoa may have entered Panama illegally. However, there are no official reports on this.

OFFICIAL DEPLORES U.S. 'ATTITUDE' ON RAILROAD

PA291815 Panama City LA PRENSA in Spanish 29 Aug 86 P 1A

[By Jose Quintero de Leon]

[Text] Yesterday the Embassy issued a communique on the controversial subject of the Panama Railroad's operating condition, denying allegations that the U.S. Government turned it over in a dilapidated condition, as the government has been charging lately. The Embassy communique notes that a stock of spare parts worth over $500,000 was also turned over.

In the afternoon Major Fernando Quezada, military administrator of the railroad, released a 1976 report on the condition of the railroad, which he said had been "concealed" by the United States during the negotiation of the treaties. He said that he deplored the fact that his U.S. military colleagues are playing into the hands of those seeking to hurt Panama.

The U.S. Embassy bulletin notes that during fiscal years 1971-1979 the maintenance expenses (repairs of locomotives, rolling stock, signals systems, rails, and railroad structures) of the Railroad Division averaged $1.47 million a year and markedly increased during the fiscal years immediately preceding the turnover to the Panama.

The report says that during this last period a substantial number of ties were replaced and old rails were exchanged for new heavier rail. It stresses that almost all ballast was replaced and the ties were tamped down along the length of the railway. It notes that a total of $1.02 million was invested in major projects connected with the railroad during fiscal years 1971-1979.

To confirm this, the communique notes that two consulting firms hired by the Panamanian Government (a French firm in 1978 and a British firm in 1979, following the entry into force of the Treaty) reported that "even though it was old" the railroad had been maintained in good condition.

A very important point in the document states that transfer of the railroad's assets and equipment on 1 October 1979 included -- at no cost -- ties, spare parts, and other inventory items that were made available by the cancel organization for the railroad. This inventory was worth approximately $500,000, of which $180,000 were ties.

Regarding the training of personnel, the communique states that to provide for an easy transfer of the railroad, the Panama Canal Commission [PCC] made available the services of 22 key employees of the Division (mainly locomotive engineers, dispatchers, and maintenance experts) to give an opportunity to the new railroad employees to acquire the necessary training and on-the-job experience.

The document notes that this does not include a number of people who were trained in inventory procurement and supply procedures by experts of the canal organization immediately after the treaty went into effect.

Maj Quezada called a news conference yesterday morning, which included a train ride to Colon, to counteract recent warnings by the PCC and the U.S. Southern Command against use of the railroad.

Standing under a large sign reading "Nobody Is Surrendering or Budging Here, Dammit", Quezada said he deplored very much the fact that his U.S. counterparts have begun playing the game set up for them by some Zonians who are still left on the PCC and have joined the campaign orchestrated in the United States against Panama, which is groundless and only intended to misinform the international public opinion to continue violating the treaty and not to turn over the Canal in the year 2000.

Quezada charged that the attitude of the U.S. Armed Forces is one of expiation and guilt because they have not been using the railroad for 2 years. He said they have always known how unsafe the railroad is because they turned it over in that condition and, not the least of all, the Armed Forces have contributed to the deterioration of the railroad by contracting their military cargo for the port of Balboa and not the port of Cristobal, thereby reducing the amount of cargo handled by the railroad and its revenues.

The PCC also came under attack by the military administrator. Referring to the bulletin warning PCC employees about the risk of using the railroad, Quezada said that the PCC's attitude is more serious and irresponsible because when the railroad was discussed during the treaty negotiations, an important 1976 report on the condition of the railroad was kept secret. He described this as a fraud at the negotiations table.

COSTA RICA

NICARAGUAN DEPUTY MINISTER MAKES SHORT VISIT

PA011508 San Jose Radio Reloj in Spanish 1200 GMT 1 Sep 86

[Text] Costa Rican Foreign Minister Rodrigo Madrigal Nieto has announced that our country's diplomatic relations with Nicaragua will continue at a very low level following the meeting in San Jose of the two countries' deputy foreign ministers.

Nicaraguan Deputy Foreign Minister Jose Leon Talavera arrived unannounced on Friday at the Penas Blancas border post, from where he traveled in a vehicle with diplomatic license plates to San Jose. The Sandinist official then requested, by means that have not been disclosed, a meeting with government officials. The request was honored immediately. Deputy Foreign Minister Carlos Rivera met informally for 2 hours with his Sandinist counterpart. Each party upheld his stand in an unofficial manner.

It was reported that the Sandinist official reiterated all of his government's charges against Costa Rica, including the charges before the International Court of Justice for allegedly providing support to the counterrevolutionaries. Rivera said he told Talavera that Costa Rica has not ruled out the possibility of filing a countersuit against Nicaragua at the ICJ. In addition to bilateral issues, the two officials discussed other political issues such as the Central American crisis, U.S. aid, the counterrevolution, and the alleged U.S. aggression against Nicaragua. Managua's ambassador to San Jose, Claudia Chamorro, attended the meeting; however, she has made no comments whatsoever on the meeting.

Some sources have interpreted this sudden visit by the Sandinist envoy as an effort to improve relations, which are currently at a low level, between the two governments. Relations have undergone difficult moments as a result of repeated violations by the EPS into our territory, as former President Luis Alberto Monge, and the current President Oscar Arias Sanchez, have charged. Some 4 months after Arias' inauguration, the Costa Rican Embassy in Managua is still officially vacant.

Communique Issued on Talks

PA301911 Panama City ACAN in Spanish 1815 GMT 30 Aug 86

[By Wilfredo Chacon S.]

[Text] San Jose, 30 Aug (ACAN-EFE) -- The deputy foreign ministers of Costa Rica and Nicaragua conferred in this capital "in a completely informal atmosphere" to exchange views "in a general way" about various topics, it was officially reported today.

After a full day of secrecy about the visit by Jose Leon Talavera, the Sandinist deputy foreign minister, Costa Rican Foreign Minister Rodrigo Madrigal Nieto decided that there was no reason "to cover anything up in that regard." Madrigal Nieto, who returned yesterday from a visit to Colombia, where he was decorated by President Virgilio Barco, said that the meeting had been requested by Talavera.

In a communique released today, the Foreign Ministry asserts that Talavera arrived yesterday in this country "without prior notice, on a strictly personal and private trip."

According to the communique, during the course of the day the Nicaraguan diplomat "expressed interest in meeting with a Costa Rican Government official." It was then that Carlos Rivera Bianchini, Costa Rican deputy foreign minister, was selected to be his interlocutor.

As for the meeting itself, the venue of which was not disclosed, the official communique underscores that "it was devoted to a very general exchange of views on various foreign policy issues." Despite the official silence on the matters broached by the representatives of San Jose and Managua, generally well-informed sources have reported that the chief topic was the suit filed by the Sandinist government at the International Court of Justice in July against Costa Rica for alleged complicity with the "contras."

The same sources said that Rivera Bianchini expressed Costa Rica's concern over the falseness of the charges and the repercussions such an action might have on bilateral relations as well as the fact that "the Sandinist suit undermines the peacekeeping efforts of the Contadora Group," which is composed of Mexico, Panama, Venezuela, and Colombia.

Minister Madrigal Nieto did not elaborate on the subject of the Rivera-Talavera meeting but asserted that "it in no way changes the position we maintain regarding Nicaragua." The Costa Rican foreign minister said that relations with the Managua government "will continue at a minimum."

Four months after having assumed power, the administration of President Oscar Arias has not appointed an ambassador to Nicaragua. Relations between the two nations have been affected by numerous border incidents caused by the presence of anti-Sandinist groups along the border.

Talavera arrived in Costa Rica on Friday through the Penas Blancas border checkpoint, where he was met by personnel of his country's embassy in San Jose. He was accompanied by his wife and a small group of members of his personal guard and stayed at an undisclosed place outside San Jose. Talavera often visits Costa Rica, where he lived for some time and pursued part of his studies.

GUATEMALA

DEFENSE MINISTER, PRESIDENT COMMENT ON BOMB

PA291445 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 28 Aug 86

[Text] Defense Minister General Jaime Hernandez Mendez accepted the possibility that subversion might reemerge in urban areas. Hernandez Mendez said this when consulted in connection with the explosion of a propaganda bomb yesterday afternoon on La Reforma Avenue. This is the first terrorist bomb to explode in the capital since the Christian Democratic regime took power.

[Begin Hernandez recording] There have been different cycles of subversion on previous occasions. Subversion started in the countryside; it failed there and then came to urban areas. It was fought in the urban area and returned to the rural area. It is possible, therefore, following that cycle and according to our calculations that they are nearing urban areas for the purpose of destabilizing the government. I understand yesterday's bomb incident was a protest against the $100 million in aid to the contras approved by the United States. Also, there is the backing of PGT [Guatemalan Labor Party] forces in favor of Nicaragua. We are prepared for this. When the time comes to give support to the Government Ministry, we have plans already worked out to be able to collaborate and control the capital city, and thus give proper security to the people of Guatamala. This gives us a guideline to start working on the urban area and to see how we and what we have to do. [end recording]

President Vinicio Cerezo commented on yesterday's terrorist explosion in just a few words.

[Begin Cerezo recording] The interior minister will have more to say about this, but, well, that is the way some organizations contribute toward peace in Guatemala -- by ruining it. [end recording]

In another turn of events, Defense Minister Jaime Hernandez Mendez commented on rumors that circulated a few days ago in connection with Sandinist military units which had entered other Central American countries, including Guatemala.

[Begin recording] [Hernandez] At this moment, what you say is not exactly happening. Anyway, we are prepared for this because we believe that the Nicaraguan Government may increase subversive actions in the Central American area, possibly as a consequence of the approval of the 100 million quetzales, pardon me, dollars, on the part of the United States in favor of the contras.

[Reporter] Is there any mechanism that can avoid an incursion on the part of Nicaraguan soldiers?

[Hernandez] We have our operational areas -- all our borders -- as much as we can with our own limitations, under certain control. We cannot give 100 percent assurances that we have control over the border. However, our intelligence services are working, and we are up to date in trying to keep ourselves well informed regarding that possibility. [end recording]

EL SALVADOR

GOVERNMENT ANNOUNCES CABINET CHANGES 29 AUG

PA291545 Panama City ACAN in Spanish 1514 GMT 29 Aug 86

[Text] San Salvador, 29 Aug (ACAN-EFE) -- The Salvadoran Government officially announced today that the heads of the economy and foreign trade ministries are being shuffled in order to make the ministries' efforts more dynamic.

According to President Jose Napoleon Duarte, the new economy minister is Jose Ricardo Perdomo. He will replace Ricardo Gonzalez Camacho of the Democratic Action (AD) party. Perdomo was private secretary of the presidency.

Gonzalez Camacho, who represents AD, which signed a social pact with the Christian Democratic Party in 1984 to form the government, will replace Julio Rivas Gallont as foreign trade minister.

The two officials will be sworn in today during a special ceremony at Presidential House. According to unofficial reports, other lesser officials will also be shuffled.

Further 'Routine' Changes

PA300051 Panama City ACAN in Spanish 0025 GMT 30 Aug 86

[Excerpts] San Salvador, 29 Aug (ACAN-EFE) -- Today, Salvadoran President Jose Napoleon Durate swore in seven members of his cabinet and requested their "maximum cooperation" in their new posts. [passage omitted]

Luis Lopez Ceron was appointed as public works minister. He will fill the vacancy left several months ago by Roberto Meza, who is now the Salvadoran ambassador to the United Nations.

Durate appointed Pedro Perez Guillen as deputy public works minister and Remo Bardi as deputy housing [as received] minister.

Marcelo Suarez was appointed as the new president of the Executive Port Commission and Mauricio Choussy was appointed as the first vice president of the Central Reserve Bank.

After he took the oath of the new government officials, President Durate said that these are "routine changes to improve the cabinet."

FMLN ANNOUNCES END TO ROAD STOPPAGE 1 SEP

PA010029 (Clandestine) Radio Venceremos in Spanish to El Salvador 0008 GMT 1 Sep 86

[Text] Attention. The FMLN General Command informs drivers and all the people that the order to stop land transportation on all of the country's major and secondary highways comes to an end on 1 September. We repeat: The FMLN General Command is decreeing a suspension of the land transportation stoppage as of the early hours of Monday, 1 September. Drivers and all of our people may use all of the country's highways as of Monday, 1 September. The successful nationwide transportation stoppage ends.

It has constituted another demonstration to the dictatorship of the level of our people's organization and combat readiness which has kept the murderous enemy forces hiding in their lairs. Organization and combat readiness have deepened ever further the policy of attrition on the war economy of Napoleon Durate's puppet regime. We salute all the revolutionary forces which participated along with our people in the enforcement of this victorious campaign.

GOVERNMENT NOT TO DEMILITARIZE SESORI AREA

PA300041 Panama City ACAN in Spanish 2355 GMT 29 Aug 86

[Text] San Salvador, 29 Aug (ACAN-EFE) -- Today, the Salvadoran Government clearly reasserted that it will not demilitarize Sesori, the seat of the third round of the dialogue for peace.

After swearing in several government officials, Salvadoran President Jose Napoleon Durate stressed: "I have to fulfill my duty and provide the corresponding protection." Durate added: "I will maintain total protection in the area, and in the meetings that we have with the up-in-arms sectors."

The Salvadoran president emphasized: "We will establish the way in which the commanders will arrive in Sesori, because I am going to offer them all the necessary security for that."

The Salvadoran Government and the guerilla movement agreed to resume the peace dialogue, interrupted in November 1984, on 19 September, in Sesori, located in the conflict-ridden eastern region. However, the FMLN-FDR guerrillas said that the militarization of Sesori, carried out by the government 2 days ago, endangers the new round of talks.

With the mediation of the Catholic Church, the government and the guerrilla movement are trying to meet for the third time in order to put an end to almost 7 years of war in El Salvador.

President Durate said: "Our work is serious, and if the rebels made a mistake in proposing Sesori as the site for the conversations, that is their problem, but we are not willing to play at making changes." Duarte added: "We will not change the place or the date; and even though it is not written in any document, I personnaly promise to provide all the necessary security, with the support of the Army."

Meanwhile, General Carlos Eugenio Vides Casanova, who was ratified as defense minister by President Durate today, said: "Yes indeed, the high command of the Army ordered the militarization of Sesori." Vides Casanova added: "The rebels feel insecure, and that is why they request the withdrawal of the Armed Forces from Sesori, which is under Army control."

Today, during a news conference, Salvadoran Deputy Communications Minister Roberto Edmundo Viera said: "The security in the area of Sesori will be provided by the government. We do not accept the joint security plan; the Armed Forces will provide security in the area where the dialogue will take place."

The government's spokesman for the dialogue said that the second private meeting with the guerrilla movement, which will take place in the first 15 days of September, will discuss the mechanics of the dialogue, for example, the way in which the commanders will come down from the mountains and the place by which the diplomatic group will enter the site of the dialogue.

Viera said that the government will not allow the guerrilla movement to use the dialogue as a mechanism to weaken the military power in the country and to strengthen theirs, because "dialogue cannot be used as an instrument of struggle to attain power."

NICARAGUA

CIA 'PLANS' TO OCCUPY PUERTO CABEZAS 'THWARTED'

PA302153 Managua Radio Sandino in Spanish 1930 GMT 30 Aug 86

[Text] According to official reports, the CIA's plans to occupy Puerto Cabezas and mount an attack against the Sandinist revolution from this port suffered a new setback. In addition to the recent defeat suffered by a mercenary organization, concentrated 40 km from the small coastal city of Northern Zelaya department [as heard], and the dissolution of the command in charge of capturing this city, 11 plans to destroy and occupy the city have been thwarted in 5 years.

Sandinist military leaders have asserted that due to the geographical features that make this region nearly inaccessible from the Pacific, the region's low population density, the existence of a port on the Atlantic, and a landing strip, the CIA chose this area to establish a beachhead and install a puppet government.

The command that invaded the country from Honduras on 20 August tried to duplicate an operation planned by the CIA in December 1981, described as Red Christmas. At this time, the CIA's goal was to have the Indian communities rebel against the Sandinist authorities. According to official sources, the targets to be sabotaged included the fuel storage tanks in Puerto Cabezas. Had this been accomplished, the entire town of 15,000 people would have been set on fire because their honmes are typically wooden and stand on piles. The sources also said that the attacking commandos carried 80 kg of C-4 explosives -- which are manufactured at CIA laboratories only -- to destroy the landing strip at Puerto Cabezas facilitating the further action of 150 counterrevolutionaries who would enter the town from the northwest.

The documents seized from 9 of the apparent 11 members of the commando unit, led by one of the local contra leaders, Wilfredo Hitler, made it possible for the joint forces of the EPS and the Defense Ministry in the region to plan an effective counterattack. Surprised and demoralized, the mercenaries suffered 15 dead and 30 wounded in their disorderly escape to Honduras, taking with them as hostages all the inhabitants they encountered. These hostages have begun to return to their places of origin, Sandinist military spokesmen added.

CASTRO DELIVERS ADDRESS AT NONALIGNED SUMMIT

PA012003 Havana International Service in Spanish 1716 GMT 1 Sep 86

[Speech given by Cuban President Fidel Castro at the Eighth Nonaligned Summit in Harare, Zimbabwe on 1 September -- recorded]

[Text] Esteemed Prime Minister Robert Mugabe, distinguished chiefs of state or government, Messrs members of the delegations, distinguished guests:

On meeting today in militant Africa and under the presidency of one of its authentic guides, to celebrate the founding in Belgrade of the Nonaligned Movement some 25 years ago, it can be confirmed that the objectives that led a small group of Third World countries to group together to defend principles linked to their own existence, and which were essential to guarantee their future, have dramatically survived almost intact for 25 years.

The danger of nuclear war -- condemned by the founding countries, which at that time called for avoiding this danger via the sole and irreplaceable path of negotiations -- has become more grave. The number of nuclear weapons has increased; they are now more destructive. Methods of delivery are many and more accurate. The arms race has accelerated and efforts are being made to extend this stage of the military confrontation to space.

The regional centers of conflict have increased and the intervention of imperialism in them is now greater and more direct. The inequality in international economic relations that [words indistinct] the action program established by the underdeveloped countries which met there, has become more unbearable for our weak and underdeveloped economies. The foreign debt bears down like an intolerable burden and makes impossible the crystallizing of the efforts and sacrifices for development.

The purchasing power of our products and raw materials is now less than at that time. Misery is now hitting our peoples harder; disease and lack of culture, the monstrous results of economic backwardness, are afflicting Asia, Africa, and Latin America.

However, just as evils and dangers have increased, our ability to resist, our strength, and our struggle have grown stronger as well. This also gives validity to our memories. We were 25 countries in 1961; we now number 101 on the eve [as heard] of the Eighth Nonaligned Summit. Many countries meeting with us today were showing a combative and resilient attitude in their attempts to gain independence 25 years ago.

Robert Mugabe, who presides over us with his experience and serenity, as well as other distinguished heads of state who are with us today, participated in summits of our movement as representatives of a desire to achieve independence, that desire is an encouraging reality today.

Not only have we grown in the size of our forces, and now constitute an absolute majority in the United Nations and the international community, but history has confirmed the accuracy of our program, the justness of our aspirations, and the need to achieve our goals to ensure that the world will have a more secure and happy future.

In 1961, we emerged as the result of a national liberation process of a large number of people against colonialism.

The indestructible link between that historical battle against colonialism and the peaceful aspirations of the peoples was established as the first postulate of the Belgrade conference, where we maintained that to create a lasting peace in the face of a struggle between the old structure and the new emerging nationalist forces, it was necessary to create a world in which the domination by colonialism and imperialism in all its forms was radically eliminated.

The first summit established unmistakably that to eradicate the sources of conflict is to eradicate colonialism. Likewise, when our movement was founded, it proposed the immediate, unconditional, total, and definitive abolition of colonialism, and a concerted effort to end all kinds of neocolonialism as well as imperialist domination in all its forms and manifestations.

When Paragraph 21 of the Declaration of Belgrade called for the elimination of the economic inequality inherited from colonialism and imperialislm, it outlined the bases of a program which the movement consolidated several years later when it set forth the need for a new international economic order, and acquired the charter of rights and obligations of states as its own.

Nothing is better proof of the far-reaching and insightful vision of Tito, Nehru, Nasser, (?Nkrumah), and other founders of the movement than the confirmation of those ideals, today developed and updated, and contained in the draft declaration of Harare, which we will discuss.

No homage to their memory would be more fitting as we meet here in Harare -- then a colony, and today a symbol of the Africa still threatened by colonialism and its most repudiable instrument, the racist and fascist South Africa -- than the power, prestige, and current influence of this powerful group of nations, with diverse systems, heterogeneous points of view, but united on the essential principles of the movement: peace, independence, development, and the struggle against imperialism, colonialism, and racism, and its most ominous manifestation, apartheid.

The fact that 25 years after its founding and despite our triumphs over colonialism, we are still only beginning to achieve that just and mobilizing plan which confirms that which was set forth several years after Belgrade, at the Second Summit in Cairo: The forces of imperialism are still strong and they do not hesitate to resort to the use of violence to defend their interests and preserve their privileges.

We are still threatened by the arms race and cosmic war; Namibia continues to be occupied by the racist South Africans; all of the Front Line countries are being attacked; the Palestinians are without a state to which they are entitled; Nicaragua is forced to face the aggression, which despite the efforts by the Contadora and Support Groups, the U.S. Government stubbornly refuses to end. In Harare, the basics of the Belgrade program are still before us.

Our 25 years of struggle has led to tangible results. The always remembered President Tito insightfully stated in 1974: With its progressive action in the joint struggle with the socialist countries and other forces, the Movement has become one of the most important factors in the correlation of present day forces. If we unite, no decision that fails to take us into account will be possible in the United Nations or in the international community. The unity of our power with the power of those who in Europe, Japan, and North America itself oppose any decision leading to war will enable us to neutralize those who attempt to unleash it. The military pacts that divide the most powerful nations in antagonistic blocs are, as knowledged, an anachronism that must be eliminated. We have been called to the Eighth Nonaligned Summit to do this.

Upon addressing this gathering at the honorable request of the delegates of the sister nations of Latin America and the Caribbean, I wish to state that our peoples share these noble ideals: the unification of our lands, much pondered by Simon Bolivar on the eve of their independence and dreamt about by Jose Marti at the close of the last century, finds presently new reasons for its full crystallization. The Malvinas war reminded the Latin Americans that the freedom of their countries cannot depend on a powerful neighbor who hovers over them, but must instead be sustained through necessary combative unification. Cuba was the only Latin American nation that signed the delclaration of Belgade, where Bolivia, Brazil, and Ecuador acted as observers. Now 17 Latin American and Caribbean countries are members of the Movement. Together with the nine observers from our area, it is safe to say that the Nonaligned enjoy the growing approval and support of the countries in our area. Upon reaffirming that support, we do so with the assurance that a nuclear holocaust will be prevented; means will be found to ensure that the definitive elimination of nuclear tests -- to which one of the parties is already well disposed -- will give way to a valid and profound negotiation to end the arms race; reduce conventional weapons to a minimum level; enable man to eliminate nuclear weapons from the face of the earth; and make sure that they do not instead eliminate man from the face of the earth. We are sure that the backwardness and poverty resulting from the economic inequality that is plaguing us will be defeated through joint actions. That is the goal which was inspired in us 25 years ago. We will honor this date by being faithful to the principles that bring us together in this historic meeting in Harare.

Thank you very much. [applause]

Meets With Garcia in Harare

FL1020109 Havana Television Service in Spanish 0000 GMT 2 Sep 86

[Text] Reports from Harare, Zimbabwe, note that Fidel Castro and Peruvian President Alan Garcia, have held a meeting. The two exchanged views on various topics related to the Government. It has also been reported that the Eighth Nonaligned has approved the members of the presiding table, as had been proposed by the ministerial meeting, and the vice presidencies formed by 23 countries representing Asia, Europe, Africa, and Latin America. The participants in the Eighth Nonaligned Summit also approved a Declaration on the anniversary of the movement. The document ratifies the nonaligned principles and notes that the movement has become a world factor in international relations.

MALMIERCA ON PULLING TROOPS FROM ANGOLA

MB311307 Umtata Capital Radio in English 1200 GMT 31 Aug 86

[Text] Cuba says its troops may soon pull out of Angola. Cuban Foreign Minister Isidoro Malmierca predicted a swift withdrawal of Cuban troops from Angola but he did not give a date. He said it depended on the Nonaligned Movement Summit hastening the demise of the South African Government. South Africa has always called for the withdrawal of Cuban troops from Angola before it would pull back its troops from Namibia. Mr Malmierca was quoted as saying he believed the presence of Cuban fighters would not continue for very long. He reiteratea Cuba's arguments that the 25,000 troops deployed in Angola for the past decade were necessary to repulse aggression from South Africa.

CASTRO DEDICATES CARDIOVASCULAR SURGERY CENTER

FL1261853 Havana Domestic Service in Spanish 2209 GMT 25 Aug 86

[Speech by the President Fidel Castro at the inauguration of of the Cardiovascular Surgery Center of the William Soler Pediatric Hospital in Havana City -- live]

[Text] Comrades: We were going to have the ceremony outdoors but a rainy afternoon -- which is not bad at all, we need the water and plenty of rain -- has forced us to improvise the ceremony here. The dais had to be set up inside and you will have to make yourselves as comfortable as possible under these circumstances.

Recently, much has been written and said by our media concerning project. The truth of the matter is that there was a large number of construction workers here busy as bees trying to complete this cardiovascular center.

This center is a part of a program for the development of cardiovascular surgery in our country. It is a part of this program, but a very important part. I have brought some information on this program. First of all, it provides for the strengthening of services in cardiovascular surgery of the Cardiology Institute and the Luis Diaz Soto Military Institute to make it possible for an increase in the number of major surgeries maintaining blood circulation with equipment, which average between 250 to 500 cases yearly. This would also make it possible for training professional and technical personnel.

This was one of the first steps taken. I should add that cardiovascular surgery was practically nonexistent in our country. There were some small groups of physicians with some experience in this field who would perform such surgery prior to the revolution's triumph. Most of them left the country after the revolution's triumph.

Cardiovascular surgery developed after the revolution and continues to develop. Another point of the program was to create new services. As a result of many efforts, new cardiovascular surgery services were started at the Hermanos Ameijeiras Hospital, at the Saturnino Lora Hospital in Santiago de Cuba, at the Villa Clara Provincial Clinical-Surgical Hospital, and at the William Soler Pediatric Teaching School here.

Another point of the program was to implement a prevention plan for congenital and acquired cardiopathy. It is not correct to do surgery all the time, but it is important to do preventive work when possible. This prevention plan is the cornerstone of the program's success. It includes antirubella vaccinations, an anti-smoking campaign, a push toward increasing physical activity, nutrition education, etc. With respect to smoking habits, you all know there is an ongoing intense campaign and, according to research statistics -- this is being discussed at the Budapest Oncology Congress, where 8,000 specialists are in attendance -- a relatively high number of nonsmokers are dying from second handsmoke. In other words, a high number of persons are dying from cancer because they inhale the smoke of those who smoke. This can be seen in cases of married couples. It can also be noted in the articles published by the daily Juventud Rebelde, concerning cigarette smoking consequences, even in the cases of pregnant women -- women who smoke or who have to inhale the husband's smoke. The consequences that this has on the pregnancy, the babies; all this was published.

I believe all this information can contribute to create an awareness in favor of preventing diseases and in defense of human health.

Other activities conducted as part of this program are the selection and training in Cuba and abroad of the group of physicians, nurses, and technicians assigned to the six for maintaining equipment. The total number of personnel services, as well as support personnel that has been trained in Cuba is 237 and 105 for abroad. Another activity is determining the payroll in accordance with the minimum number of personnel needed to initiate the develop each service.

Another is the acquisition of equipment needed by this program. Approximately $5.8 million was spent in medical equipment, expandable material, and medicines; $1,532,556 for non-medical equipment, for a total of $7,332,678. Please note I said dollars because I am referring to foreign currency that has been assigned to the development of this service of cardiovascular surgery. Nine new cardiology centers have been built. First of all, we have one with a budget of 4.5 million pesos; the one in Santiago de Cuba, which is almost completed, at a cost of 1.62 million pesos; and the cardiology center in Villa Clara at a cost of 860,000 pesos. The latter has been completed.

The study program for residency in cardiovascular surgery has been prepared; this program lasts 6 years. The selection has been made and the residency courses of study have begun. At the present time there are 17 students in residency. The essential bibliographic information for personnel training has been provided. The oranic nature of the new cardiology centers in the context of hospital regulations has been defined. The setting in motion of the new services has been organized. The action plan and table or organization with periodic control measures of the progress of the development plan has been established. Some objectives have already been attained in the past 5-year period.

For example, in 1981 there were 199 cases of surgery involving blood circulation in which equipment was used. In 1982 there were 127. In 1983 there ware 284. In 1984 there were 330; in 1985 there were 544; in 1986, as of 31 July, there were 450 cases of this type of surgery. Much has been done in the treatment of children with confenitial cardiopathy. The methods of treatment following surgery in cases of iscahemic cardiopathy have been improved, and heart transplantation techniques have been stabilized.

Through August this year, 12 heart transplantations had been performed. It is anticipated that by the end of this 1986-90 period the number of operations with extracorporeal circulation will match the disease's rate of occurrence. During that period of time it is expected that 7,900 operations of that type will be made.

If by 1990 we can perform some 2,000 operations yearly, the incidence of the heart condition here would have been exceeded, inasmuch as the estimate is 1,600 cases yearly. This will make it possible for us to offer part of our services to other countries in the Third World. So far, I have been referring to the program in general.

The director of the William Soler Hospital has given extensive information on this cardiology center. This center is a part of the William Soler Hospital.

As he said, since the dengue epidemic, this hospital has been considerably expanded. At that time, it had 17,000 square meters of space, and now it has more than 32,000. The polyclinic for specialties was built on one side, and now this cardiology center has been built. The investment plan was made in 1983, and 3 years ago, in August, ground breaking for the center began.

The project was prepared in accordance with recommendations made by the most experienced Cuban specialists as well as foreign specialists who were invited to contribute as advisers: specialists from Czechoslovakia, Sweden, and other countries. This project is considered to be one of the largest installations in the world for children's cardiovascular surgery. As such, it has been highly valued by specialists of high international prestige who have recently visited.

As the director of the hospital, Comrade Dotres, explained, this building has 3 operating rooms, 14 intensive and intermediate care beds, and 38 hospital beds, for a total of 52 beds for children with a heart condition. In addition, it has 22 beds for polyvalent therapy--in other words the hospital's intensive care unit is also in this same building. It is debatable whether it is the best way, which I have discussed with several doctors. The hospital's library has remained in this same building. I asked the doctors if all personnel in need of information from the library would necessarily have to come to this building, that perhaps the library would have been more conveniently located in another place. Another question was if it is was necessary that the hospital's intensive care unit patients be here. I believe that at this time, it is the correct thing to do because a number of beds are gained for the area. It will take a few years to attain the full capacity of exploitation. I am referring to the operating rooms and these installations.

Perhaps in the future we will have to look for a place to install the polyvalent therapy room, that is the hospital's intensive care unit for other patients not having cardiopathy problems. Then we will have to assign all these beds to the children having a heart condition and cardiovascular surgery. Later, I will refer to this problem.

There is something else in the papers I brought with me. The papers note it is believed that at full capacity some 400 operations could be performed yearly. That is a very conservative figure, which I feel is questionable. I inquired about this; with 400 operations we would not solve the problems. This is due to the fact that every 1,000 births, according to international statistics, between 8 and 10 children are born suffering from congenital cardiopathy, that is a heart condition which requires special attention and, almost unavoidably, requires surgery.

More than 150,000 children are born here every year. I do not know exactly how many were born in 1985. Perhaps someone here knows that information, (Teja) or someone else, but I believe it was around 170,000 in 1985. I believe it is more than 150,000, but let us say 150,000 and assuming it were 8 children for every 1,000, we would have 1,200.

[Unidentified person] 182,000.

[Castro] Well, 182,000. This would mean it would be around 1,000...5, we have to multiply 8 by 8, it is 64 [pause] what?

[Castro] No, 48. Yes, it would be around...almost 1,500 cases, 1,000 plus 400 [pause] 8 times 8, I cannot figure it out correctly.

[words indistinct by unidentified persons]

[Castro] What? What did you multiply it by? Eight times 8 is 64 plus 800. It is 1,440. I am using the most conservative figure, 18 cases out of 1,000 and not 10 out of 1,000, because if it were 10 cases out of 1,000 it would be 1,800. But each year, without taking into consideration those cases accumulated from previous years, we have a minimum of about 1,500 children who are born with congenital cardiopathy. To congential cardiopathy we must add the acquired cases which also require surgery. There are, I believe, cases of rheumatism, what are the main causes?

[words indistinct by unidentified persons]

[Castro] Oh, rheumatic fever causes different types of cardiopathy in children between the ages of 5, [corrects himself] or between 1 and 14. I do not know at what age...between 5 and 14. I believe that the statistics I saw quoted 21 out of 1,000 which is the equivalent more or less of 1 out of each 5,000 children between the ages of 5 and 14. Imagine how many children fall in this category. Out of every 1,000 is more of less the amount of children who contract this illness, rheumatism, repeat it, fever what?

[unidentified persons answer] Rheumatic fever.

[Castro] Rheumatic fever. Those are added to them. For the purposes of this cardiology center we are mainly interested in congential cardiopathy cases. Those are the ones in which we have to intervene during their first year or years of life. In many cases it has to be during the first year of life because if not they will die. For some, surgery is needed to survive and possibly later a second surgery will have to be performed. That is, there are some remedial surgical solutions for them which allows them to survive the first year of life. Maybe in the future as this science develops, instead of performing remedial surgery, a final surgical procedure will be performed, reconstructive surgery, I believe specialists call it.

Of course, all those surgeries will not be performed in this center. This center will handle the most complex surgeries in children under three. Especially, surgery for children under one will be performed in this center in the future. In the rest of the cardiology centers, that will open in Villa Clara, Sanatigo de Cuba and others; some of the children who are born with congential cardiopathies will be handled. But I really believe that, according to calculations and the available data, that all the needs will not be filled with the 400 surgeries a year which will be performed in this center. Some specialists were telling me that an infamous Honduran doctor visited Cuba. He is considered one of the most skilled specialists in the child congential cardiopathies area, and of course works at a U.S. hospital inasmuch as that country has been conducting a brain drain. He was saying that a center like this could perform up to 1,000 surgeries.

There are 3 surgery rooms and if they are properly used, if we have all the needed trained staff, I believe we could perform -- I do not know if 1,000 -- over 400 surgeries, maybe the ones our country needs. Under those circumstances the 22 beds which will now be used for polyvalent intensive care of the entire William Soler Hospital will be needed, even though they may not be cases of child cardiologies, [corrects himself] child cardiopathies that is, so I adhere more to medical terminologies.

So we already have to set a goal of surpassing this figure of 400 surgeries a year because it is clear that it is needed.

I remember that talking with the also reputable Czechoslovak doctor...

[words indistinct by unidentified person]

[Castro] (Chamanek) who has helped us greatly in the development of these ideas, he was explaining to me -- in addition to the statistical data of the 8 or 10 out of every 1,000 he gave me -- that it has been figured that a center like this one is needed for approximately every 6 million people. This figure should take into consideration the birth rate because sometimes a Third World country could have 6 million people producing as many children as a population of 12 million in a developed and industrialized country. I remember he talked about 6 million and I was not curious enough to ask him if he was referring to 6 million in the Third World or 6 million in the industrialized world, how many would need a center like this one. But since then, I have been thinking that someday we will have to build another Child Cardiosurgical Center in Santiago de Cuba, in the eastern part of the country. But because of this, we will have to do our best with the six hospitals we have and especially with this Cardiology Center, which is the only Child Cardiovascular Surgical Center we have. Other places will perform child [cardiological] surgeries but the most complex cases will come to this center.

This is why I say that a special effort and intense work are needed to fulfill our domestic needs in this center. Some requests are always added. We already have some requests from some Latin American countries that have told us about some cases of children who can only be saved with money from foundations. They have asked us if we can treat some of the cases. Of course, it is impossible to think that some commitments will be made each year. With such a request regarding children believed to be dying, they do not get care and there is no place to obtain it, we will have to agree to accept some of those requests. Therefore, I have no doubts that this center has to develop considerably and that a similar institution will have to be built in the future in the easter part of the country. I believe it should also be part of -- I believe it should be the right way to do it -- a children's hospital and in that case neither the library, because past experience should always count for something, nor the polyvalent intensive care service should be in that new center. Out project is almost perfect but it is not perfect yet and life always teaches you how to do things better.

Around $2,572,000 have been invested in medical equipment. Of course, this very sophisticated equipment does not come out of the blue. It is purchased with many sacrifices. We invested $690,870 in nonmedical equipment. That is worth over $3 million -- and I say dollars because we are talking about foreign currency invested in this center. This is why we have very sophisticated and very modern equipment.

I do not say they are ultramodern because that equipment changes so fast that they are obsolete in 1 or 2 years. That is, they become obsolete because more advanced techniques are developed. We intend to be up-to-date in this center and will do everything humanly possible to obtain the most advanced techniques.

At the beginning, 21 medical specialists, 80 nurses, 23 technicians, a psychologist, and an electronic engineer will work in this hospital. Of course, the electronic engineer is essential because almost all of that equipment is electronic and perhaps one engineer will not be enough. But for now, one should be enough.

I asked the director how they were doing with the staff. He said we are doing fine. And I asked if fine meant that they are not over-staffed and he said they have the minimum. Anyway, 124 people are the ones who are going to begin operating this cardiology center. Experience will tell if we have either not enough or too many people. Experience has shown us that there is a surplus everywhere. What we do not have is efficient utilization of the so-called work shift. There is a lack of efficiency. There is no multiple-skilled work. We do not have many of the things that we need to begin introducing efficiency. If we do not, we are going to run out of personnel and everything becomes more expensive, such as transportation, dining rooms, everything.

The hospital is planning to begin operating this center at the end of the next month. It already has beds, the surgery room is ready, it has everything. They need about a month before operating it. I believe they are going to achieve this. That is, the completion of the project and the operation of the institution will be almost simultaneous.

The staff is being trained. Part of them are still being trained. Part of them are already trained. Another one is being trained, and training will have to continue. They will have to make a selection among the most outstanding specialist, among the most promising youth, and encourage the development of this field of medicine in our country. I believe that all of these concrete steps are the ones that will really turn our country into a world medical power.

The yankees are annoyed. They are infuriated each time they hear that Cuba is on the way to becoming a world medical power.

This is why they even sabotage every medical exchange of information between Cuba and the United States. They sabotage the possibilities of purchasing equipment produced there or purchasing abroad medical equipment that has yankee components. It irritates them, it exasperates them. Of course, the yankees will have no other choice than to stew in their own juices.

As we were saying, Sancti Spiritus, which was a Cinderella province, today has a better infant mortality index than the United States. We also have a better literacy index than the United States. We can also add that Sancti Spiritus and other provinces -- with a life expectancy of 75.4 years -- have a higher life expectancy rate than the United States. We are not a medical power yet, but we are in better shape then they are.

But we will have to struggle because we are not in a contest. Our purpose is not to compete. We refer to these figures to respond to their ill-intentions and their blockade plans.

But we are mainly struggling for the well-being of our people and we cannot be satisfied with the infant mortality index of 15. We will have to struggle to reduce it to 14, 13, 12, 11, 10 and below 10 if possible, to have the conditions of the most developed country in that field. We are struggling to prolong the life expectancy. It has been said that the man's genetic potential is 120 years and life is shortened due to many reasons. We are not going to be satisfied with a life expectancy of 74 or 75. We will strive to reach 80, 85 or whatever is possible.

The decisive factor of this struggle is a general health plan. I believe that the antismoking campaign may be held and with everything that may [interrupts himself] I have authority to talk about this subject because it has been a while since... ah, it will be a year tomorrow. [applause] tomorrow, tomorror, [repeats himself] 26 August it will be a year without taking a puff. [audience laughs] I am calm. I do not miss it. Now I feel better about this antismoking campaign and I believe we have to conduct it for those who have not had the willpower so that they are encouraged little by little. I believe it will bring results because with all that data resulting from research work and what scientists are saying, a lot of women will fight with their husbands who smoke because it has been scientifically proven that the smokers are not only killing themselves, they are killing their family and their children. They can even kill or harm them while they are in their mother's womb. So, I believe that the dissemination of information regarding these matters will help a great deal in the campaign to increase life expectancy. We have to mention this campaign family doctors are conducting against sedentariness by encouraging everyone to walk, jog, and exercise. I believe the area of plaza has made a lot of progress in this matter. Recently, I was told that there were over 1,000 old... I am not going to say old people, people over 60 or 70 years old who were systematically exercising. The struggle against obesity will also be a factor which will really play a role in life expectancy. Medical care by itself will no longer be considered. Even if we can have the best hospitals in the world, the best specialists, the best equipment, if we do not struggle against those factors we will not increase the life expectancy in the future. We have increased it a lot during these last few years by struggling against illnesses that cause many deaths. Among the illnesses that cause a lot of deaths are accidents. They cause childeren's death. They are also considered in the indexes and are also taken into consideration in our population's life expectancy. We have no doubts that we are going in the right direction.

I do not want to forget during a day like this to make a special acknowledgement to the construction workers. On 1 July we inaugurated a project which was not completely finished. They said 4 or 5 percent had to be completed but scientists [as heard] struggled for 45 days trying to get the center started. Finally, part of it is operating now. When one of these projects is being built, one has to check if there is water, if the tank does not have leaks, if it is built well, if the pipes do not leak, if gas pipes work properly, if air conditioning pipes are working properly, if the air conditioning system works. All those details. They had not been able to check all those things because the project was inaugurated in a hurry. The kitchen had been completed. Many details had to be taken care of. Many construction workers are still working there to finish up those details. They will be there for weeks, even months. That day I said I will not inaugurate another project that has not been totally completed. Unless they specify it is the first phase of a factory or something like that, it can be done. But a complex of this type should not be inaugurated until it is completed finished and checked.

Because there is a lot of enthusiasm to finish, it is not completed. But what happens is like what happens to one who runs a marathon of many kilometers for many hours and is discouraged -- it is not easy to motivate the construction workers again.

That is why on 13 August, when this project was supposed to be completed, we found out there were some rough spots and we told the comrades of the construction ministry, it does not have to be completed by the 13th, it can be completed 10 or 12 days later but the work must be completed and tested.

That is why this cardiology center is being completed today, 25 August. Not only has it been completed today, but it is already in operation. It has the main equipment, the beds, everything. It is a job well done, with great quality. It has functional quality, aesthetic quality, such as the marble and tiles used in its construction. Not only is it functional but it is a beautiful project with landscaping and fish tanks. Let us see if those small fish can survive here. Hopefully they will make it through the inauguration. Otherwise, we will have to give them a cardiovascular-therapeutic treatment. [laughter in the audience] That will prove that this center functions well and is a good health center.

Now we have to find a way to make this a model institution, a truly model institution. This is the principal request we can make from the 126 staff workers of this cardiology center. That will be the initial number of workers on the payroll. Possibly that number will grow when they have additional equipment for the specialists.

Another lesson we can learn here and from the genetic engineering center dedicated on 1 July is that we should not set dates for completing the projects. We should prepare a schedule and work hard from the beginning at a good pace so that we do not have to make that final effort. That is an experience gained here.

When we have to make a final effort, other projects suffer. For example, the architectural projects construction enterprise [ECOA] No 7, which built this magnificent project with the assistance of other enterprises, is given the task of constructing hospitals. Of course, there was not a setback here. However, the intense work here hurt other projects. It led to setbacks at the Julio Diaz [nor further identified]. The same thing happened with the genetic engineering center which delayed other projects. This one has also caused delays at the Tropical Medicine Institute. I do not know if it will cause delays at the Naval Hospital, or the Finlay Hospital which is moving quite well. That one is moving fast; they are working hard over there. You are working there; the ECOA No 7 is also working at the Naval and Finlay Hospitals, both of them. Those two projects are doing well.

They are working in other hospital projects. They share the work with another brigade. [Castro addresses someone] which is the other brigade that is going to help build the Miguel Enriquez? [someone responds that it is another brigade of the same enterprise] You too? The Julio Trigo is being built by you, I know that. Are you working in the Marianao Pediatrics Hospital? You are doing the assembly portion of the work. Once in a while I see a crane moving there, but not very frequently.

What I wanted to say is that we have to prepare a schedule for each project and avoid the intense work to complete it, because this causes delays.

We have seen that in the last two projects we have dedicated. We also have the Optic Lens Workshop which has suffered a bit from the completion of the Genetic Engineering Center. Now that brigade is working at the Frank Pais Hospital at a good pace. This brigade has recruited qualified workers from other enterprises and from other projects. I believe that from now on we should work with the maximum intensity possible without setting completion dates, whether we complete the Julio Trigo on 10, or 15, or 20 November, or 5, or 10, or 15 December.

We should not set completion dates. It would be preferable if there were setbacks, I mean that, even if there are delays of 15 days, 1 or 2 months. That way we work at the same pace and there is no need for those intense efforts, concentrating many workers in one project from other sites. The only way to avoid delays is by to follow a schedule.

There is a very ambitious program in the field of hospital construction for the next 2 1/2 years. It is a very ambitious program. The Naval Hospital is being expanded. This hospital provides services for a large population to the west, is also being expanded. Remember there are persons in Marianao who live in the Lisa suburb and other suburbs and their general hospital is located in Cerro, on the other side. The Salvador Allende Hospital services many of those patients.

This situation tends to create a formidable need or a hospital toward the area of Old Marianao, which has a population of some 400,000 inhabitants. They need a pediatric hospital -- one is under construction. They need general hospitals because, even after the Finlay Hospital is expanded, it will not be able to provide the needs of all that population. In the future we are planning to build a clinical-surgical hospital west of Havana and another east of Havana.

Meanwhile, these expansions made to the Naval and Williams Hospitals, with over 300 beds each, allows us a little more time to build other hospitals. Also, the conversion of the Julio Trigo premises into a clinical-surgical hospital will be very helpful. The buildings that are in the back, connected to the ones being worked on now, will make room for 990 beds in the Julio Trigo Hospital. This hospital is being remodeled -- it was the former tuberculosis hospital, later it housed a research institute and now it is being converted into a clinical-surgical hospital.

The Albarran Hospital beds will be doubled from 390 to 600 beds, the Miguel Henriquez Hospital beds will almost be tripled. A new hospital will be built. It is greatly needed in that area of Havana. The Julio Diaz Hospital is also being expanded. Its bed capacity is also being tripled. The Marianao Pediatric Hospital is going to be completed and the Calixto Garcia expansion is going to be started. This is a program which will increase the number of beds in Havana by almost 50 percent. It is a very ambitious program which requires Havana construction workers, especially those from the ECOA No 17 [corrects himself] Ecoa No 7 and of other brigades, to perform organized and intense work. Because we are planning to conduct this program I have mentioned that, except the Calixto Garcia, we are determined to complete them by 1988. That is, we have 2 years and 4 months to complete that program. It will require an intense, serious, disciplined, constant effort from these brigades. This is going to be a difficult challenge, a difficult challenge. [repeats himself]. Let us see [what will happen] when the time comes for the completion of the Trigo [hospital] and I repeat, no final time frame should be set -- what really is important is to] work very hard there the same way it is done in other projects and to estimate the exact date so it can be completed in the same way this project has been completed.

This does not mean that a great effort does not need to be made. It means the effort has to be made in such a way that other projects are not affected and that each one of your groups and each one of your forces where you work make the biggest effort to fulfill the timetable. If at the end, one of them falls behind schedule we should not leave the other ones to complete this one because is brings us disorganization and decreased work productivity. So this is the policy we should follow nevertheless, we are going to check the progress of the hospital projects on which you are working. The Construction Ministry, the people's government, and various other organization are working on this.

There are some hospital projects such as a group of polyclinics which are going to be built by the people's government. The family doctors home/consultation offices are being built in the same way. I believe this is a good example of a good program with the participation of all the sectors which has been completed or is being completed in a record period of time. Only in Havana, 506 quarters have been created for family doctors. Those doctors are going to greatly help all the hospitals in the capital because the people do not go to the hospital's emergency on-call medical staff if they can go to see a family doctor. Usually, when they go to the general hospital their family doctor comes along with them. That is the solution. I believe there is no better and more comprehensive solution for the country's hospital network than the family doctor concept. Because the clinical-surgical hospitals and hospitals in general are not intended to revolve around the emergency on-call medical staff, they have to almost devote themselves to the popular emergency on-call medical staff. The family doctor will alleviate some of this demand. Over 500 family doctors will begin working in Havana this year. Counting those already working, there will be a total of over 700 family doctors. Within the next 6 years, in 1992, 1993 at the latest, the entire capital will have the services of family doctors. I believe that is going to greatly contribute to health and life expectancy, especially to the extent they help educate the people. The comrades of Havana's People's Government are already checking each one of the areas where the family doctor consultation office will be located. From 1988 on, we are also planning to build not only doctors' houses but also nurses' houses. With this, this health program turns into a housing program where thousands of doctors and nurses will have their housing problem solved. This project is being considered.

This program began in a garage. It continued in a small consultation office that looked like a toy house, like a toy. It was expanded into a larger consultation office and this year the project we developed was the house/consultation offices. Others will be built in 1987, some will be experimental. I hope that in 1988 all house/consultation offices will not only include doctors but also nurses who play a very important role in this task.

We beg nurses not to think we had forgotten about them or discriminated against them but at the beginning we were experimenting and testing to see how these ideas developed. Actually, they have progressed very rapidly.

I believe everything we have been talking about regarding the need for discipline, quality of work, productivity, and maximization of the work shift was put into practice in completing this project. We hope construction workers will put it into practice -- especially the brigade that has finished this center and construction workers in general -- put into practice [repeats himself] these ideas which can be very fruitful.

In Sancti Spiritus we talked about how much the revolution has done, but I said I was convinced that we could have done things better and more extensively if we would had been more efficient, if we had been better workers. Undoubtedly, a completed project like this one brings satisfaction to all, it brings happiness, encouragement, enthusiasm. This hospital is great news for all families in our country.

It is excellent news. This center will mean that thousands of children's lives will be saved each year. Without these services they could not be saved. During these years we have sent the children [with cardiovascular illnesses] abroad who had problems that we did not have the resources to handle. Now it is not only a matter of cardiovascular surgery centers but of the national network of specialists in each municipality who are capable of detecting the illness, diagnosing it, and refering the child to the adequate place. This center will mean that the lives of hundreds of children will be saved.

At the end of each 5-year period we will be able to say that this center and the other ones created by this program will save the lives of thousands of children. I believe that construction workers, doctors, specialists, engineers, and technicians will be greatly satisfied by the fact that their work is translated into such humane, noble, and useful results for our people, for all the families of our country, without exception. It is not necessary to have a sick child to benefit from it; a healthy child today may not be healthy tomorrow. A perfectly healthy child today, because of one of those rheumatic fever episodes, could need the services of a center such as this one. Not only children but also the unborn. All the families expecting a child [could need these services]. All the grandmothers, parents, uncles, cousins, and siblings will feel much safer with the opening of this center. In this way, each hospital project brings the people a sense of security, to those who are ill and those who are healthy. All these new services being developed in our country, such as the pediatric hospitals' intensive care units, provide all the families a great assurance because they know that children will have the same treatment -- as we have said before -- as the one they could receive in the best U.S. hospital, where they treat the bourgeois, the great millionaires. Those hospitals will not be able to provide a better service than the one received by our children in pediatric hospital's intensive care units. Thousands and thousands of children's lives have been saved. We do not know how many. Some day statistics will have to be compiled because hospitals have the statistics of those who have been admitted and the ones they have saved. They would have not been saved without those services. I remember that recently the San Miguel Del Padron Hospital sent me an album with the photographs of the children who had been saved there. Those were very critical cases which would have not been saved since those services were created. They collected the photographs of those healthy children with great pride and satisfaction, because they were lives taken away from death. I believe that the over 30 intensive care units could do something similar and make an inventory of all the lives they have saved since these services were created.

It was precisely with the dengue epidemic, when our country had only one intensive care unit at the Borras [hospital] -- which only had three or four beds and did not even have separate cubicules for infectious cases, that the idea of developing intensive care units in every pediatric hospital came about. Since then, fortunately, we have saved tens of times more lives than the ones saved during that epidemic which was deliberately introduced in our country by imperialism because we still have not found any other explanation for it.

This is why all these hospital projects are received with acknowledgement and happiness by our people and with deep appreciation toward the laborers who built them, toward doctors, technicians and specialists, who provide their services.

I believe I have already talked enough, comrades, in these special circumstances. I do not see many of you. To end I simply want to say the following : We hope the workers of this cardiological center make efforts so that it is not only said that it is the largese children's cardiological surgical center in the world but that one day it can be said that it is the best in the world. Fatherland or death, we will win! [applause]

NATIONS DISPUTE NONALIGNED DRAFT BEFORE SUMMIT

F1301626 Bridgetown CANA in English 1448 GMT 30 Aug 86

[Text] Harare, Aug 30, CANA-REUTER - Latin American and Caribbean delegates today continued a heated argument over the non-aligned movement's radical draft statement on Central America, which is due to be approved by next week's summit meeting.

Several Latin American countries associated with the Contadora groups peace initiative in Central America were trying to tone down the draft's heavy praise of leftist Nicaragua and its criticism of the U.S. - backed governments in Honduras and El Salvador, conference sources said.

Colombia, Jamaica, and Belize were also trying to eliminate many of the six-page documents, critical references to U.S. policy in Latin America and the Caribbean, they added.

Communist Cuba and Nicaragua, on the other hand, were pressing for denunciation of Washington's Central American policies in the strongest possible terms. It is basically a discussion of whether to go further than we did in New Delhi, one senior delegate said, referring to the Non-aligned movement's last statement on Central America in India three years ago.

A decision on Nicaragua's controversial bid to host the next non-aligned summit in 1989 has been referred to the six-day heads of government meeting which begins here on Monday after the Latin American and Caribbean group failed to reach a consensus on it, the sources said.

Although a two-day preparatory meeting of foreign ministers ended yesterday, officials were continuing to meet over the weekend to hammer out the summit's final declaration on a wide-ranging series of political and economic issues.

Heads of government from over half the 101 member states of the Non-aligned Movement are expected to attend the Zimbabwe summit and the first, including Indian Prime Minister Rajiv Gandhi, arrived today.

From Latin America and the Caribbean, the presidents of Nicaragua, Cuba, Argentina, Peru, Guyana, and Suriname are expected.

Meanwhile, delegates are working in regional groups and in two plenary commissions to thrash out the working of the summit's final declaration.

Delegates said the economic commission, chaired by Peru, was bogged down in procedural wrangles despite a general consensus over the draft text prepared by Zimbabwe.

Last night, discussion had only reached paragraph nine of the 171-point economic declaration, which calls for a better deal for the third world in trade and financial flows.

Delegates said Peru has yet to present its own amendment to the document, calling for the recognition of every country's right to freely determine its economic policies.

The Peruvian proposal also calls on the International Monetary Fund (IMF) to create a special mechanism for helping heavily-indebted countries to continue economic growth while rescheduling their external payments, they added.

GRENADA

LALSINGH TO HEAD NEWEST DEMOCRATIC PARTY

FL301640 Bridgetown CANA in English 1525 GMT 30 Aug 86

[Text] St Georges, Grenada, Aug 30, CANA -- The Democratic Labour Congress (DLC), Grenada's newest political party, was launched at a press conference last night. It is headed by member of parliament, Kenny Lalsingh, who resigned from Prime Minister Blaize's ruling New National Party (NNP) in May.

In addition to Lalsingh, the DLC has three other foundation members -- Michael Pitt, Neville Rennie, and Terrance Griffith.

Pitt, 40, has lived in Toronto for the last 15 years. He has told reporters he had been involved in West Indian community work in the Canadian city.

Griffith, 24, was a member of the youth arm of the leftwing New Jewel Movement which won power in a coup in 1979 and ruled until it was itself ousted in 1983.

I believe in the democratic institution, he said, and that is why I dropped out of the NJM.

Griffith said he has studied theology and history and is currently writing a book, "Grenada - The Road To Holocaust."

Rennie, 53, was a member of Sir Eric Gairy's Grenada United Labour Party (ULP) for 20 years and was an unsuccessful candidate of Winston Whyte's Christian Democratic Labour Party (CDLP) in the December 1984 general elections. Following the 1979 coup, he spent nearly two years in Richmond Hill Prison as a detainee. Rennie said he was a qualified land surveyor and an experienced farmer.

Rennie said CELP has decided to merge with the DLC but was not sure whether CDLP political leader, Winston Whyte, is a DLC foundation member.

This party is interested in pulling together good citizens who are progressive, Griffith said, so we will invite anybody who has a like mind.

If Winston Whyte is a progressive gentleman and if he believes in the principles of the DLC, then certainly he is welcome as a member.

Lalsingh was asked what his approach in parliament will be now that there are three members of the opposition benches following the recent resignation of Deputy Speaker Phinsiey St Louis from the NNP.

Taking over this question from Lalsingh, Griffith said that while opposition in the House is important, DLC was more concerned with the broad mass of the people.

People don't go to parliament to listen to these fellows talk, he said. At the sittings, you will see five or six people in the gallery. We are concered with the people in the country, not the Mickey Mouse democracy that Blaize and these fellows participate in parliament.

The press conference was chaired by Grenadian Barrister, Len Walker, who was not introduced as a DLC foundation member but said he had been invited to chair the conference.

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NAVY DENIES INVOLVEMENT IN 'AYACUCHO MASSACRE'

PY291423 Buenos Aires DYN in Spanish 2334 GMT 28 Aug 86

[Text] Buenos Aires, 28 Aug (DYN) -- The Navy today denied that Argentine Marines had participated in the "Ayacucho massacre" in 1983, in which eight Peruvian journalists, who apparently were mistaken for subversives, were beaten to death by peasants. A Navy source described as "ridiculous" the report recently disseminated by Peruvian journalists, stating that it did not deserve an official response.

The Peruvian Journalists Association has asked the courts to investigate whether its eight colleagues were massacred because they possessed information on the Argentine participation in local antiguerrilla operations. At the time they were killed, the journalists were investigating a number of reports of illegal repressive excesses in the struggle against the "Shining Path" subversive group. On 26 January 1983, the eight journalists and their scout were attacked in the town of Uchuraccay, Ayacucho, beaten up, and killed. In 1983, rumors circulated in Peru about the alleged presence of an Argentine military advisory team in Peru operating under the orders of the then de facto authorities.

The killing, later called the "Ayacucho massacre," was investigated a few months later by a commission headed by writer Mario Vargas Llosa. The commission concluded that the peasants had mistaken the journalists for subversives. Afterward, the courts intervened and were able to retrieve photographic rolls from one of the murdered reporters from which one can see that talks were held with the peasants who were initially blamed with massacring the journalists. The Peruvian courts will continue investigating the case.

GAS EXPLOITATION AGREEMENT SIGNED WITH ITALY

PY300005 Buenos Aires TELAM in Spanish 1622 GMT 29 Aug 86

[Text] Buenos Aires, 29 Aug (TELAM) -- Argentina and Italy signed an agreement at the Argentine Embassy in Madrid to exploit natural gas deposits in Loma de la Lata in Neuquen Province, Argentina.

The agreement was signed by Argentine Energy Secretary Jorge Lapena and Energy Planning Under Secretary Alfredo Storani, and by Italian Energy and Hydrocarbons State Company [ENI] Foreign Relations Director Lucio Lussu and the Latin American Area Manager Michelino Loizzo.

According to EFE, the Argentine Energy Secretary and his group ended, with this agreement, a series of negotiations over natural gas projects carried out during their stay in Spain, where they arrived on 24 August. They also negotiated with the Spanish Company Cogasco, to which the Argentine State Gas Company owes a debt.

The agreement, signed in the presence of Argentine Ambassador Hugo Gobbi, and Argentine State Gas Company President Carlos Bechelli, establishes cooperation between the Energy Secretariat and the ENI to undertake economic and financial feasibility studies and to carry out projects to obtain byproducts from the natural gas in the deposits. EFE reported that the project also includes the production of byproducts such as mibe [as received] and methanol, and separate transportation, distillation, storage, and shipment installations.

U.S. TROOPS MOVE INTO SANTA CRUZ DEPARTMENT

PY021551 Madrid EFE in Spanish 0054 GMT 2 Sep 86

[Text] La Paz, 1 Sep (EFE) -- According to unofficial sources, U.S. forces sent to Bolivia to fight drug trafficking, today entered the region of San Javier, Santa Cruz Department, where they will continue to fight drug trafficking, after being idle for nearly a month.

Santa Cruz authorities refused to comment, but eyewitnesses say the U.S. troops have moved from their headquarters in Josuani, Beni Department, to Santa Cruz. The U.S. troops have been seen in the region of San Javier, near Santa Cruz. This is the first time that U.S. forces have entered this department, southeast of La Paz.

The joint Bolivian-U.S. actions against drug trafficking began on 16 July in Beni Department, northeast of this capital.

The carrying out of this plan known as "oven buster" caused a wave of protests that was joined by neighboring countries. According to the Committee for National Sovereignty -- comprising more than 21 political parties and popular organizations and 27 labor unions -- "the U.S. Army raid in Bolivia has the purpose of establishing a military base that will threaten national security and the security of the neighboring countries."

The campaign against drug trafficking was suspended nearly a month ago because of unfavorable weather conditions in the Beni region that prevented the helicopters from flying.

The U.S. forces have moved throughout the Beni region and northern La Paz Department with sporadic air raids in eastern Cochabamba Department.

Umopar Claims Troops Decreased

PY030017 La Paz PRESENCIA in Spanish 22 Aug 86 p 7

[Text] Trinidad, 21 Aug (PRESENCIA) -- General Guido Lopez, commander of the Umopar [Mobil Units for Rural Areas] operations, headquartered in Trinidad, has stated, "the number of U.S. military troops supporting the Antinarcotics Police actions has decreased." In remarks to PRESENCIA, the Umopar commander last night denied the report that the number of U.S. troops has increased. He said: "I know, for example, that the relief group (of last weekend) consisted of a reduced number."

Asked about the opposition cricicism to the presence of foreign military troops in the country, Lopez stated: "The ideal thing is to continue with the operation until we are free of this problem. But if aid is suspended we will lose, because drug traffickers could reestablish themselves again."

He reaffirmed the government report that as a result of the control, "activities involving the cultivation and preparation of the cocaine hydrochloride has been reduced to a minimum, which is positive."

Regarding rumors that civilian agents of the U.S. Drug Enforcement Agency [DEA] have reportedly received threats, the Umopar commander said that he is not aware of any official report.

Employees of the hotel where the civilian DEA agents are staying have revealed that Departmental Police have thoroughly checked the building, and that they have been maintaining a strict control on the main entrance since yesterday. The U.S. agents are occupying two of the three stories of the hotel, and they are conducting research activities, using among other things three "Aircommander" planes fitted with sophisticated equipment.

DEMONSTRATORS CLASH WITH POLICE IN COCHABAMBA

PY021254 La Paz La Red Panamericana in Spanish 1130 GMT 2 Sep 86

[Excerpt] Demonstrators and police clashed in Cochabamba last night. One person was killed and several were injured. This was announced last night by Interior Minister Fernando Barthelemy but because of its importance we are going to repeat it.

[Begin Barthelemy recording] I would like to report to the country that despite the state of siege, students from San Simon University tried to go into the streets to conduct demonstrations. The University Council met in the morning and passed repressive measures to force students not to take exams and to go into the streets and engage in violent demonstrations. A demonstration took place, and about 1 block from the university -- when police tried to stop it -- a guard, Cirilo Mamani, was shot probably with a .45-caliber weapon that fired an explosive bullet. The bullet wounded one person and then killed the guard instantly. Another guard, Justo Pajarito, was also wounded by a Molotov cocktail that was thrown in his face.

The police reacted energetically, and as a result of this action, we have learned that university student Wilson Metano Flores received a rubber bullet wound in the face. Anoter person, Entia Lobo, a woman employee of San Simon University, received a minor cut.

The clash lasted for about 2 hours until the university students moved back toward the university campus and the police continued to drive them toward the university. When the police entered the campus, they found an arsenal. [end recording]

Interior Minister Fernando Barthelemy also reported the students had a considerable amount of dynamite, Molotov cocktails, kerosene, and other materials. This proved there was a clear intention to provoke violence. The minister added that the students' goal was to create chaos in the city and to adequate conditions for an environment of subversion throughout the country.

He reported that the rectors of the Cochabamba and Potosi Universities have been released on the condition that they remain in La Paz. He added that the rectors were arrested for political activities and not because they are officials at state universities. He pointed out that a decision was made to cordon off San Simon University in Cochabamba. [passage omitted]

Shining Path Involved

PY022136 La Paz La Red Panamericana in Spanish 1700 GMT 2 Sep 86

[Text] Guido Nerubia, the Interior Ministry under secretary, has announced in Cochabamba that agents of Peru's feared Shining Path group have infiltrated student groups of the San Simon University. This information was reported to La Red Panamericana by its correspondent in Cochabamba and is undoubtedly a very serious report which has taken the Bolivian media by surprise.

[Begin relay] The Interior Ministry and security (?organizations) of the government have detected that the political (?unrest) in Cochabamba and the interior of the country is connected to Shining Path activities. This was disclosed today by Interior Ministry Under Secretary Guido Nerubia during a press conference a little before noon.

The Interior Ministry official came here to report that yesterday's disturbances -- which resulted in clashes and the death of Civil Guard Cirilo Mamani and the injury of university students -- were promoted by infiltrators among the San Simon university students.

Nerubia added that those who have been agitating university students have been identified. Among them he named: (Xavier Baptista), (Gabriel Parra), and others who will be arrested and brought to court within a couple of hours. [end relay]

GOVERNMENT, MINERS START CHURCH-SPONSORED TALKS

PY022225 La Paz La Red Panamericana in Spanish 1700 GMT 2 Sep 86

[Relay by Cristina Corrales]

[Text] The first meeting between the government and miners has just ended. They have decided that negotiations will be held every day from 1100 to 1300. These negotiations -- which are being held between the government and miners at the Episcopate Conference building -- are aimed at ending the miners conflict.

Government representatives, and miners leaders today met at 1100 through the mediation of the church. The press have been following the meeting closely to see if any agreements were achieved this morning but this morning they only achieved progress about the holding of the negotiations, and no solutions have yet been achieved. Simon Reyes, Filemon Escobar and Oscar Salas, who were the miners representatives at the meeting, have reported pressure is still being applied in the mines while the government has said that it is firmly maintaining its position regarding the restructure of Comibol [Mining Corporation of Bolivia]. Nevertheless, the Catholic Church hopes that an agreement will be achieved within a couple of hours. Today's meeting represents a great step forward, but this dialogue should have occurred before the enforcement of the state of siege. [end relay]

The Catholic Church was able to achieve the dialogue between the government and miners but the situation in the mines is serious. Since activities have not resumed, the Siglo XX miners have declared a fast to the last consequences.

Miners leader Simon Reyes, who was interviewed a little before the start of the negotiations, will talk with four ministers appointed by the government. The top-ranking miners leader was really not very enthusiastic about the outcome of the dialogue which the Catholic Church is promoting between the miners and the government.

For his part, Filemon Escobar, Trade Union Federation of Bolivian Mine Workers [FSTMB] secretary [words indistinct], told La Red Panamericana that the sector that he represents is at a disadvantage and that, based on this point of view, the dialogue, although necessary, will hardly solve the problem that is affecting mine workers.

Escobar said that we are participating in this dialogue under the pressure of the enforcement of the state of siege.

CONIN APPROVES SOFTWARE COPYRIGHT SYSTEM

PY272123 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 Aug 86

[Text] The National Informatics Council, CONIN, has approved a copyright system applicable to computer programs. The decision was made yesterday in a meeting with ministers of the economic and military sectors. [Begin relay] Communications Minister Antonio Carlos Magalhaes, who attended the meeting, commented on the decisions that were made:

[Magalhaes] Very important problems were solved, and I believe there was a complete consensus among all members of the CONIN, and an important decision was made concerning a solution for copyright rights. This is an important question because all developed countries in the world already have copyright systems, and now Brazil is following suit. This is very important for the country's domestic and foreign policies.

[Reporter] [question indistinct]

[Magalhaes] This problem will be examined by the president. Several suggestions will be channeled to the Planalto Palace, because copyright rights for other sectors are protected for 60 years. Evidently, this cannot occur in the technological sector. Therefore, these questions wil still have to be analyzed. However, it has already been decided basically that the solution to the problem of software lies in a system of copyrights. Based on this decision -- which is also in line with the guidelines issued by the presidency -- CONIN members have to reach an accord concerning other aspects of the issue.

[Reporter] Foreign Minister Abreu Sodre, who also attended the meeting, believes that this decision will make infomatics negotiations with the United States earlier.

[Sodre] As always, when we negotiate with the United States, we have a conciliatory interest, and we are not interested in increasing gaps. During the CONIN meeting, we made a decision which does not discriminate against anyone, and it is in the best interest of our country.

[Reporter] Foreign Minister Abreu Sodre also said there were disagreements during the CONIN meeting yesterday, but that they are normal in this kind of negotiation. [end relay]

IRAQ COMPLAINS ABOUT FAULTY AVIBRAS MISSILES

PY212308 Rio de Janeiro VEJA in Portuguese 20 Aug 86 p 51

[From the "Radar" column]

[Text] The Iraqi Army has complained to Avibras [Brazilian Aerospace Industry] about the poor performance of the missile Astros III, which was said to have a 70-km range, but actually has a range of only 45 km. The Iraqi Army attributed some losses in battle to that discrepancy which caused the missiles to fall short and land in Iraqi territory instead of reaching the enemy. Concerned about its best customer, Avibras identified the problem as a deficiency in the missile's propulsion system, and has already committed itself to correcting the problem in the next shipment.

CARVAJAL: U.S. SATELLITES SOURCE OF INFORMATION

PY290400 Santiago Radio Chilena in Spanish 2300 GMT 28 Aug 86

[Excerpts] Defense Minister Patricio Carvajal today confirmed the United States supplied the information that helped the Chilean Government detect the illegal introduction of weapons from Soviet ships. He said the extreme left does not have the proper training to overthrow the government. The defense minister went on to say that the arrest of 14 persons involved in the arms traffic is an even harsher blow to the terrorists than the discovery of the arms.

The minister held a press conference at his office to discuss the arms caches and other issues that have to do with his sphere of action. He acknowledged that -- thanks to satellite surveillance and agreements in effect --the United States has supplied the information that led to the discovery of the weapons brought into the country illegally. When the minister was asked specifically about reports that the United States has helped Chile discover the arms, the minister answered: That it is no secret and should not be looked upon as something strange because Chile has cooperation agreements with the United States in this field. He mentioned the agreement with NASA as an example. The minister said in keeping with these agreements, when the satellites detect movements of Soviet ships they report it, and Chile has received such information.

[Begin Carvajal recording] Whenever there is a gathering of Soviet or other communist trawlers, the satellites report it. We have received this kind of information and we are still receiving it, and it is welcome. [end recording] [passage omitted]

Journalists Protest Statement

PY312329 Madrid EFE in Spanish 1754 GMT 30 Aug 86

[Text] Santiago, 30 Aug (EFE) -- The Association of Foreign Journalists in Chile today protested a statement recently released by the Chilean Government Social Communications Agency [Dinacos], blaming a news agency for a report concerning statements made by the defense minister.

In a note, which was only broadcast by two local radio stations, the Association of Foreign Journalists in Chile states that the news agency's report publicly questioned by the military regime, originated from a report made by the government-owned national news agency, ORBE.

The foreign journalists stated that --- according to the report made by that news agency concerning the findings of alleged extremist arsenals in northern Chile -- Vice Admiral Patricio Carvajal stated: "Information concerning the arms chache has been received and is being received from the United States and it is welcome." The foreign journalists in Chile added that in view of this news, they asked ORBE and Dinacos to confirm the text, which remained completely unchanged.

In the opinion of the correspondents, this issue makes necessary a request "which we have repeatedly made; to be authorized to enter various government agencies and to be allowed to have more contact with top government officials."

JUDGE ORDERS SUSPECTS HELD INCOMMUNICADO

PY290237 Santiago Domestic Service in Spanish 2300 GMT 28 Aug 86

[Text] Judge Advocate Rodrigo Gonzalez, who is in charge of the case involving the discovery of arms chaces in the Santiago metropolitan area, has reported he ordered seven terrorists arrested and held incommunicado. He said that these extremists admitted their direct participation violent activities and their connections with the banned Communist Party. According to the judge advocate, nine extremists were brought before him by the security forces and two of these persons were released.

[Begin Gonzalez recording] Following the discovery of arms caches near Santiago, the National Intelligence Center [CNI] brought before this court nine persons: five on 25 August and four on 26 August. All these persons testified before the court which ordered that seven be arrested and held incommunicado. [end recording]

The judge advocate explained that there are women and men among the extremists. He added that a man and woman were released on 27 August for lack of evidence.

Asked whether the case involving the arms caches found near Santiago could be linked to the investigation that special military Judge Lorenzo Andrade is conducting into the discovery of the arsenals found in the northern part of the country, Judge Rodrigo Gonzalez said this is something that will be determined later. Gonzalez went on to say that as far as investigation is concerned, it has to do with the arms and material discovered in La Quintana, Penaflor, and Paine. In conclusion he said no new arrest warrants have been issued.

[Begin recording] [Gonzalez] No new arrest warrants have been issued.

[Unidentified reporter] Any more arrests?

[Gonzalez] No, no other warrants have been issued. The only prisoners we have are the ones brought in by the CNI.

[Reporter] Is there anyone wanted?

[Gonazalez] None so far in this case. We are evaluating initial information and will see the extent to which this case is linked to that of Special Judge Lorenzo Andrade. We shall see if the links allow us to attach this case to that one. [end recording]

Meanwhile, it was reported that by 30 August Judge Advocate Rodrigo Gonzalez will probably decide whether or not to indict the seven extremists who were involved in the arms caches found near Santiago. It was also reported that he might declare himself incompetent to deal with the case. Should this happen, Gonzalez' case will be attached to the case involving the discovery of arsenals in Carrizal Bajo in the Third Region that Judge Lorenzo Andrade is investigating.

Regarding the latter investigation, the 11 extremists against whom Judge Andrade issued arrest warrants are still at large. These subversive criminals have ties to the 14 terrorists who are being held incommunicado at various metropolitan detention facilities.

STUDENTS, CARABINEROS CLASH; 80 DETAINED

PY030218 Paris AFP in Spanish 0129 GMT 3 Sep 86

[Text] Santiago, 2 Sep (AFP) -- The Chilean police today detained approximately 80 students who were staging a demonstration against the regime of General Augusto Pinochet 48 hours before the 4 September national stoppage called by the opposition.

According to police sources, the most serious incidents occurred at the University of Santiago (the former State Technical University) where several dozens of students erected barricades and hurled stones at the police.

The police used tear gas, rubber bullets, water cannons, and chemicals to disperse the demonstrators, who were shouting slogans against the military regime and were urging the people to join the stoppage. Student leaders said 50 students were detained by the policemen, who stormed into the university spraying large amounts of gas while beating a professor who tried to stop them.

Thirty-five students of the Chilean-German Industrial school were also detained by Carabineros when they were occupying their school in support of the 4 September opposition stoppage called by the leftist Popular Democratic Movement.

The police also dispersed a peaceful demonstration staged by students of the School of Medicine of the Chilean University who were celebrating the departure of a dean appointed by the government.

SUPREME COURT DISQUALIFIES CTC LABOR LEADERS

PY030300 Madrid EFE in Spanish 0211 GMT 3 Sep 86

[Excerpts] Santiago, 2 Sep 86 -- Today, the Supreme Court disqualified opposition labor leader Rodolfo Seguel banning him from holding any position in the directorate of the Confederation of Copper Workers (CTC). Raul Montecinos Rosales and Sergio Barriga Cortes, two other CTC leaders were also disqualified.

This Supreme Court decision upheld the April ruling made by the Labor Directorate which disqualified the three labor leaders barring them from holding positions in the CTC leadership after they were fired from their jobs in the copper mines. [passage omitted]

CAUCE ISSUE CONFISCATED; CHIEF EDITOR DETAINED

PY010032 Madrid EFE in Spanish 2314 GMT 31 Aug 86

[Excerpt] Santiago, 31 Aug (EFE) -- Before reaching the newsstands copies of the latest issue of the magazine CAUCE -- which is published in Santiago -- were confiscated today by orders of a judge advocate. A few hours earlier, CAUCE Chief Editor Juan Jorge Faundes was detained by orders of the Interior Ministry on charges of having violated the state internal security law.

According to Sergio Faundes, a brother of the CAUCE's chief editor, his brother was detained at approximately 0230 today in Santiago.

Juan Jorge Faundes, who also works as a staff editor of the EFE office in Chile, was walking near some people who were writing on a wall when he and the group were detained and taken to a Carabineros station.

CAUCE President Jorge Ovalle also announced the confiscation of the latest issue. He said that at approximately 0500 today judge advocate Rodrigo Gonzalez -- accompanied by Carabineros personnel -- went to a printing shop to confiscate copies of the latest issue of CAUCE.

At noon, Ovalle said, police personnel also confiscated all copies of CAUCE issue no 90 which was to be released tomorrow. No reason has been given for the confiscation of the magazine. [passage omitted]

ANALISIS Confiscated

PY020145 Paris AFP in Spanish 0036 GMT 2 Sep 86

[Text] Santiago, 1 Sep (AFP) -- Complying with orders from a military court, personnel of the Chilean Investigative Police today confiscated the latest issue of the magazine ANALISIS, the second opposition publication.

This morning, 25,000 copies of the social democratic magazine CAUCE were also confiscated by orders of a judge advocate who is trying CAUCE director Gonzalo Figueroa and editor Ariel Poblete on charges of having offended the Armed Forces.

ANALISIS, a leftist magazine, is openly critical of General Augusto Pinochet's regime and was scheduled to appear on 2 September, 48 hours before the national stoppage called by the Popular Democratic Movement (MDP). The stoppage has been endorsed by the Christian Democratic Party and by other political sectors. Judge Leonel Bereaud ordered the suspension of ANALISIS for 3 weeks and plain clothes policemen searched the ANALISIS office to confiscate the latest issue.

ANALISIS coordinator Roberto Celedon said he did not know the reasons for this measure. He said: We are completely unaward of the reasons prompting this decision, but we are absolutely certain it is an arbitrary, illegal measure which is part of a harrassment campaign against democratic media organizations.

OFFICIALS EXPRESS VIEWS AFTER DEATH OF UP MEMBERS

Barco: 'Conspiracy' Against Peace

PA021722 Bogota Emisoras Caracol Network in Spanish 1215 GMT 2 Sep 86

[Text] President Barco said that the murders of the two Patriotic Union [UP] parliamentarians was carried out by those who seek destabilization of democratic institutions. The president said this to leaders of the Communist Party [PCC] and the UP with whom he met with minutes after learning of the murder of the senator for (El Meta), Pedro Nel Jimenez. [PCC Secretary General] Gilberto Vieira said that president Barco is convinced these events are very grave, as they are part of a conspiracy against his government's peace policy.

Mr Barco said this was a conspiracy directed at destablizing the country's political situation, according to the story told to the press by UP President Braulio Herrera.

In an official communique, the government minister said there is no doubt these condemnable events have been produced by those who are interested in affecting the democratic process of change and reconciliation that the country yearns for, and that the government is bent on continuing its policy as a priority goal.

Jimenez Gomez Blames Security

PA310319 Madrid EFE in Spanish 2135 GMT 30 Aug 86

[Text] Medellin, 30 Aug (EFE) -- Carlos Jimenez Gomez, Colombia's attorney general (top prosecutor), has reiterated that people "are killed, tortured, and made to disappear" here. He accused the state's security bodies of the crimes.

According to the high-ranking official, "this is done by people who have authority, state security agents, soldiers, and policemen." Jimenez Gomez reiterated his charges last night at a "national forum" on missing people held in Medellin. According to Jimenez Gomez, only the chief of state's "firm and personally exercised" presidential authority can serve as a guarantee in the prevention and repression of such violations.

Jimenez Gomez, who in the next few weeks will leave the post he has held for the last 4 years, asked those present, and Colombians in general, "to join the ranks of humanism, to worry about the future, and to prevent those evils they can prevent."

On several occasions he has charged the Army, the police, and other state security bodies with torture, deaths, and disappearances, eliciting controversies here, where, according to his office, "more than 300 people are missing."

UP Blames Paramilitary Groups

PA021650 Bogota Television Service in Spanish 0000 GMT 2 Sep 86

[Excerpts] In the past 72 hours, 2 legislators of the Patriotic Union [UP] were assassinated in the country, in Barrancabermeja and Villavicencio, and the country's public order situation is worsening.

While the wake for Representative Leonardo Posada was under way at the Capitol's Elliptic Room, Senator Pedro Nel Jimenez was being shot to death in the streets of Villavicencio. [passage omitted]

Twenty members -- leaders, councilmen, deputies, and parliament members -- of the UP and the PCC have been assassinated between the 9 March elections and today. [passage omitted]

UP and PCC members went to the Government Ministry to deliver a memorandum to Minister Fernando Cepeda Ulloa. According to this memorandum, the defense minister knew about the death threats against Posada and took no steps to protect him.

[Begin Cepeda Ulloa recording] This is a very worrisome situation. We hope that, with the help of the UP, we can restore confidence, which is essential right now. [end recording]

This sector of the opposition, composed of the UP and the PCC, suggested that a court of civilian judges be formed to investigate these assassinations and that armed facilities be provided for them.

[Begin PCC Secretary Gilberto Vieira recording] We are going to ask the government if there are two different powers in Colombia: the civilian power, which offers guarantees; and the military power, which goes against the lives of Colombians. [end recording]

While this was occurring near the Government Ministry and Narino Palace, UP Senator Pedro Nel Jimenez was assassinated in the streets of Villavicencio.

[Begin recording] [UP leader Jaime Pardo Leal] We are going to ask the national government and the president to purge the Colombian Armed Forces and meet with the FARC [Revolutionary Armed Forces of Colombia] Secretariat because the total failure of the peace policy is just around the corner.

[Reporter] You are directly blaming a group of generals or the military command of... [interrupted by Pardo Leal]

[Pardo Leal] We know they are covering the paramilitary groups. There have been clashes with the EPL [Popular Liberation Army], the M-19, and the ELN [Army of National Liberation], but there has never been any fighting with the MAS [Death to Kidnappers]. There is not a single MAS member in jail. Why? Because they are people who are sponsored and promoted by the military, by at least a sector of the military forces.

Senator Jimenez was killed because yesterday he identified the killers of Deputy Rafael Reyes. They are two B-2 agents. In addition, he reported to the country that a military patrol executed companero commander Alvaro Fayad here in Bogota, on the banks of the Bogota river. [end recording]

There are some who disagree with the explanations that UP leaders offer for the assassinations of their members. Others believe that the crimes were committed by active members of the FAR, ELN, and EPL who have decided to take revenge on those who had abandoned the guerrilla armed struggle to sell themselves to the system.

This afternoon, President Virgilio Barco told UP leaders that whoever is responsible for these killings wants to hamper the peace process in our country.

According to UP leaders, more than 300 UP people -- including militants and leaders -- have been killed in various parts of our nation.

CONSERVATIVES VOW TO REJECT GOVERNMENT POSTS

PA312348 Bogota EL TIEMPO in Spanish 27 Aug 86 pp 1-A, 7-A

[Article by Jesus Medina S.]

[Excerpts] The Conservative Party will not accept mayoralities, ambassadorships, governorships, or technical positions during the current administration. Moreover, it will not vote in favor of constitutional amendments the Liberal Party may introduce in Congress until the government agrees to seek the means to repeal Article No 120 of the Constitution.

The Conservative interparliamentary board, the advisory organ of the National Directorate [DNC], approved that decision at a meeting held yesterday in Bogota.

The proposal was approved with 74 votes in favor and 18 votes against, imposing the "hard-line" policy led by Caldas Senator Omar Yepes Alzate.

The same document asks those who belong to boards of directors of state agencies that are linked to the executive branch to resign immediately.

The Conservatives went along with a proposal by former President Misael Pastrana Borrero of not accepting mayoral appointments. They extend that stance to cover all other administrative posts, including technical institutes and embassies.

The decision by the interparliamentary board is not binding on the DNC, but owing to the level of representation of that board, its recommendations must be accepted as the party's official policies.

Based on that decision, the Conservative Party begins to adamantly oppose the government of President Virgilio Barco Vargas. Until now, that government has appointed ministers and governors of the Liberal Party because the Conservatives refused to participate in the government.

President Barco Vargas has announced his willingness to appoint mayors who belong to the political sectors that won the elections in different municipalities. However, the Conservative Party's decision not to accept those appointments will radically change the president's plan.

Besides refusing to accept those posts, the Conservatives turned down posts in technical institutes and embassies. The Conservative presence during the current administration will be reduced to lower-ranking posts.

The Conservative Party also announced that it will vote against amendments introduced by the Liberal Party which, judging by the announcements President Barco Vargas has made on the subject, will be numerous. [passage omitted]

The Conservative Party feels that repealing Article No 120 involves the creation of a statute of guarantees for the opposition. One of the central aspects of this statute would include access to the state's news media and the actual implementation of the administrative career to give job stability to public employees. [passage omitted]

OFFICIALS INVESTIGATING OCHOA CASE THREATENED

PA311827 Bogota EL SIGLO in Spanish 26 Aug 86 pp 1, 3

[Text] The two officials appointed by the attorney general of the nation to investigate why Cartagena Customs Judge Fabio Pastrona Hoyos Vasquez decided to release Jorge Luis Ochoa -- charged with being a narcotics trafficker and smuggler of fighting bulls -- have received death threats, sources from the Attorney General's Office have disclosed.

The delegate of the attorney general in Cartagena, Elsa Saavedra de Guette, said she has received threatening phone calls from men.

She told Radio Cadena Nacional that one of the anonymous callers told her: "Keep getting involved in this, and you will see that we will screw you."

She said she has no special protection and the judiciary police guards she had at her office have been withdrawn.

It was also confirmed in Bogota that another investigator of the Attorney General's Office, Carlos Antonio Osuna, has received death threats.

The investigation of Judge Pastrana Hoyos was ordered when the Justice Ministry reported it had instructed the judge to keep Ochoa detained, as his extradition had been requested by the United States on charges of narcotics trafficking. Pastrana Hoyos was removed from his post last week by the Customs Superior Tribunal. Another request had been made by the 11th District criminal judge of Medellin.

It was officially learned in Bogota that Carlos Antonio Osuna, special agent of the Attorney General's Office in charge of reviewing the case of the customs judge, has received death threats.

Likewise, it was proven that the dossier of the smuggling charges against Ochoa Vasquez does not include Official Notes Nos 14511 and 14567 dated 17 July 1986 from the Justice Ministry that notified the judge he should not release the alleged narcotics trafficker, as his extradition had been requested by the U.S. Government.

Likewise, it was learned that Judge Fabio Pastrana Hoyos sent an official note to the 11th district criminal judge of Medellin requesting background on Ochoa Vasquez and information on whether he could be released, but surprisingly enough, this note and the reply were all processed in a record and unusual period of time, only 2 days.

OFFICIAL SPOKESMAN SAYS STROESSNER ALIVE, WELL

PY022335 Madrid EFE in Spanish 2313 GMT 2 Sep 86

[Text] Asuncion, 2 Sep (EFE) -- Anibal Fernandez, the official spokesman for President Alfredo Stroessner, said the president "enjoys iron health." According to foreign news media, the Paraguayan president who is 73 years old is ill.

A Mexican TV channel today carried a "flash report" that "Paraguayan President Alfredo Stroessner had apparently died," providing no further details.

Fernandez, presidential under secretary of information, stated that "this is the umpteenth piece of absurd, irresponsible and malevolent information about President Stroessner's health and its only objective is to distort Paraguay's image."

He added: "Paraguay enjoys peace and tranquillity thanks to President Stroessner's iron health; government affairs can therefore be conducted without concern."

The presidential spokesman recalled that on 1 September President Stroessner dedicated the new Baptist Hospital facilities in Asuncion and today dedicated a new hotel in downtown Asuncion.

Other official circles asked about the president's health confirmed that "Stroessner enjoys good health, is in good spirits and takes long walks every morning before going to his office."

JAMMING MAY CAUSE RADIO STATION TO CLOSE

PY262033 Paris AFP in Spanish 1803 GMT 26 Aug 86

[Text] Asuncion, 26 Aug (AFP) -- Paraguayan journalist Humberto Rubin, owner of Radio Nanduti, told AFP today that he may have to close his radio station due to the government's unrelenting jamming of its programs.

Speaking during one of the long breaks caused by jammed Radio Nanduti programs, Rubin said: I cannot understand how high-ranking government officials can continue to talk about democracy while constitutional rights are being systematically violated.

He said he is on the verge of bankruptcy after sponsors, who have been also under government pressure, rushed to withdraw their commercials.

Nervous and tired by the daily jamming, Rubin said that it is not possible to work in this manner and the government should close his radio if it is so irritated by it. The government prefers the strong jamming to slowly kill the radio, he said.

Reports on exiled Domingo Laino and on the official suspension of the Ypacarai International Music Festival are particularly maddening to the person who is jamming the station. Whenever we try to talk about these issues, he seems to suffer an attack and he jams our programs for 10 to 30 minutes, Rubin added.

The jamming began in May, a few days after the radio was attacked twice by gangs of intoxicated people who chanted slogans in support of President Stroessner. The attackers, among whom Rubin identified several high-ranking officials, shattered glasses and destroyed the doors of the transmitter building.

The jamming ended for 20 days in July, during a brief visit by Robert Gelbard, U.S. deputy assistant secretary of state for American republic affairs.

PLRA LEADER GOES UNDERGROUND TO AVOID ARREST

PY291911 Asuncion Cerro Cora Sistema Nacional Television in Spanish 1600 GMT 29 Aug 86

[From the "Court Report" section by Atilio Viera]

[Text] A spokesman of the Authentic Radical Liberal Party [PLRA] has announced that PLRA leader Miguel Abdon Saguier, against whom a criminal judge has issued an arrest warrant, will go underground. The spokesman said Saguier has no intention of appearing before a Paraguayan court.

The spokesman noted that Saguier will not turn himself in to face the charge brought against him by the attorney general for having violated Law 209 on the defense of public order and Article 39 of the Constitution [which describe the crime of sedition].

EXILED LABOR LEADER RETURNS AFTER 28 YEARS

PY282031 Asuncion EL DIARIO in Spanish 22 Aug 86 p 14

[Text] Julio Etcheverry, one of the secretaries general of the Paraguayan Confederation of Workers [CPT] in exile, returned last week after 28 years in exile.

EL DIARIO interviewed Etchevery, 58, who said that "we have not come with a gun under our poncho. We have come with what we believe is the truth. We intend to present it openly and frankly to the workers and the national institutions so we can really help to find a democratic solution for our country."

[Reporter] What steps did you take to come back?

[Etcheverry] I am returning to the country by my legitimate right under the Constitution. Article 56 establishes that all Paraguayans have the right to freely enter or leave the country.

[Reporter] But didn't the governmet oppose to your entry?

[Etcheverry] I wrote to the Justice and Labor Ministery saying I was coming and the ILO wrote to the national government, and here I am.

[Reporter] Have you tried before?

[Etcheverry] Yes, we tried before. We met with the former labor minister, but we never obtained an answer. This time I did not ask for permission. I came in directly and there was no oppositon.

[Reporter] What is the reason of your presence in the country?

[Etcheverry] Apart from the fact that I have always wanted to return to my country, I am carrying a document as the secretary general of the CPT in exile. It was prepared by our organization and covers all aspects of our national life. We are deeply worried about the political, social, economic, and labor situation of the country. We believe that the time has come for the Paraguayan people to be honest with themselves. We believe that the time has come to calm down and seek a solution to the very serious problems confronting our country. We want to present our point of view to all sectors of society in the hope of attaining the well-being that we all want. We dream of a free labor movement in Paraguay.

[Reporter] Can you tell us what the proposals are?

[Etcheverry] I prefer to wait for a few days, perhaps until Monday or Tuesday, to release them in a meeting with the press.

[Reporter] Tell us about the CPT in exile.

[Etcheverry] We belong to a group of labor leader that went into exile after the workers' strike of 1958. The general secretariat has been functioning for 2 years now. It was in Uruguay before. We have auxiliary organizations in various parts of the world. They are staffed by fellow Paraguayan workers who suffered the same misfortune.

[Reporter] Do they also think of coming back?

[Etcheverry] Of course. We all want to return to our country permanently and work for a free and demoncratic labor organization as a developing factor of our society.

[Reporter] How do you view the present Paraguayan labor organization?

[Etcheverry] It is disastrous and complex. Disastrous, because here we must start from zero if we want to have a free and democratic labor organization. Labor here looks as if it were coming out of a war.

[Reporter] Tell us about your background as a labor leader.

[Etcheverry] I started in the labor struggle when I was a worker in the Censi and Pirotta sugar mill in my home town of Benjamin Aceval. I obtained my first experience there. I became a delegate to the CPT which I helped to begin in 1951. In 1953 I became member of the Executive Board as press and propaganda secretary and editoir of La Voz del Trabajo and held those positons until I went into exile. Later I worked for the free and democratic continental labor movement. I was secretary general of the ICFTU for 5 years in Mexico, andrepresentative of the Inter-American Regional Organization of Workers (ORIT) in several countries of the world.

[Reporter] Will you work actively in the labor movement here, and, given the circumstances, would you accept a nomination to head a labor union?

[Etcheverry] I will probably be active in labor but I have no aspirations. I believe that young Paraguayan workers have the right to work their way up to leadership.

WAR MINISTER DENIES NAVY PRESENCE IN PERU

PY022359 Madrid EFE in Spanish 2042 GMT 31 Aug 86

[Text] Lima, 31 Aug (EFE) -- Peruvian War Minister General Jorge Flores today said he "categorically" rejects the allegations that Argentine Navy "advisers" were in Ayacucho when eight journalists were murdered in the Andean Village of Uchurajay.

Flores stressed that the Argentine presence was not possible because previous authorization from Congress is necessary for the Navy advisers to enter the country and the authorization was never granted.

He argued that the Armed Forces took political and military control of the Ayacucho emergency zone at the end of 1982, only a short time before the brutal murders of the journalists, which occurred in January 1983. The Minister repeated: "There were no foreigners present in Ayacucho."

The presumed presence of Navy "advisers" in Ayacucho was reported on 27 August by Peruvian Journalist Association President Juan Vicente Requejo, who added that the eight journalists were assassinated because they had found out about the "advisers." Raquejo said he received confirmation of the foreign military presence from a journalist in Ayacucho.

The minister added that the president of the Journalist Association should prove his accusation before the Court investigating the deaths of the journalists at Uchurajay. He also said no military personnel are involved in the case of the arms contraband transported by the Danish ship Pia Vesta.

The U.S. arms trader, David Duncan, told the Peruvian press the arms were bought by the Army and Navy.

Flores stressed the allegation was not true and the Peruvian military personnel have nothing to do with the case. He said he was "worried and hurt" because the country's press "give credit" to an arms trader who is trying "to cover up his wrong doings." He added he knew there is a retired Peruvian captain nammed Coppo, apparently working with Duncan, but he has nothing to do with the Peruvian Armed Forces at the present time.

COLOMBIAN DRUG TRAFFICKERS HIJACK SMALL AIRPLANE

PY012134 Paris AFP in Spanish 1546 GMT 1 Sep 86

[Text] Lima, 1 Sep (AFP) -- The police today reported in Lima that two Colombian drug traffickers yesterday hijacked a small aircraft which was on its way from Uchiza to Tarapoto in the Amazonic San Martin Department. The hijackers forced the pilot to change direction and head for Leticia in Colombia. The attempt failed when the airplane ran out of fuel.

Using assumed names, the two presumed drug traffickers -- whose real identities were not revealed -- rented a small airplane from the Aerotaxi Iberico Company at Uchiza airport to go to Tarapoto.

However -- 15 minutes after take off -- the pilot, Jorge Lopez, was forced to change direction and head for the Colombian border toward a presumed clandestine airstrip near Leticia.

After flying for 3 hours, the pilot warned he had run out of fuel and would have to make an emergency landing on one of the Amazon river banks between the towns of Nauta and San Fernando, 10 minutes from Iquitos, the capital of Loreto Department.

When one of the drug traffickers left to get fuel, the Peruvian pilot managed to escape and reported the situation to the local authorities. The police then chased the hijackers who managed to flee into the jungle, the source stated.

GC CHIEF CRITICIZES POLICE REORGANIZATION

PY021153 Madrid EFE in Spanish 0108 GMT 1 Sep 86

[Text] Lima, 31 Aug (EFE) -- Civil Guard (GC) Director General Carlos Barreto has openly criticized the reorganization of the police forces carried out by the Peruvian Government. He leveled the criticism in a speech which some news media regarded today as a "challenge" to the government decision.

In the speech -- delivered last Saturday in Lima to mark the 113th anniversary of the Civil Guard -- Gen Barreto said that "the Civil Guard approved the loss of identity," but that the unification should not have been conducted by "authorities foreign" to the police.

Gen Barreto made these comments in the presence of Peruvian First Vice President Luis Alberto Sanchez, who is the acting president during the absence of Alan Garcia, who is currently in Zimbabwe participating in the summit of the Nonaligned Movement. Also present at the ceremony were: Interior Minister Abel Salinas; Senate President Armando Villanueva; and, Chamber of Deputies President Fernando Leon de Vivero, all of whom are members of the APRA [American Popular Revolutionary Alliance], the ruling party in Peru.

According to press reports, Barreto addressed Sanchez, stating: "Mr President, let no one believe that by speaking this way I am violating the Constitution. I have served the institution for more than 36 years, and I have the duty of giving an opinion on police issues, because a policeman also has brains."

Sanchez, also a senator, had only a few hours earlier assumed the presidency ad interim. He responded in his speech that although it is true that everyone has a right to express an opinion, "it must be expressed in a proper way and fashion and at the proper time." Sanchez stressed that the government aimed to unity the police forces because the country "is not an archipelago of isolated institutions but an iron unity."

The GC director general also said: "Subordinates must obey their own chiefs and not people foreign to the institution," adding that administration autonomy is necessary.

According to comments made by the interior minister, the three police forces -- namely the Civil Guard, the Republican Guard, and the Peruvian Investigative Police -- will merge, and 12 police districts will be established throughout Peru under a single chief.

Luis Alberto Sanchez stated that there is no animosity against the GC and that the reorganization decision was based on functional criteria.

POLICE STATIONS ATTACKED IN LIMA, OTHER CITIES

PY310150 Madrid EFE in Spanish 1739 GMT 30 Aug 86

[Text] Lima, 30 Aug (EFE) -- Subversives last night hurled explosive devices against two police stations in Lima and against another in the neighboring town of Chosica. A weighing station for trucks was also attacked in Lima. Several other attacks took place last night in Lima, especially against police posts. The attacks caused damage, but no casualties.

Meanwhile, in a Lima neighborhood the police detained an alleged former member of the Colombian guerrilla group "M-19."

An intensive shoot-out took place during the attack on the police station in Yerbateros, and the police reported that two of the attackers were arrested.

According to reports received today in Lima, presumed "Shining Path" members attacked a gas station on the outskirts of Huanta, in Ayacucho, early yesterday morning. The bomb attack destroyed four gasoline pumps and the guard post, but there were no casualties.

According to the government newspaper LA CRONICA, in an operation in "Villa El Salvador," a popular district in Lima, the police detained sociology student Erneseo Soto, alias "Comrade Pablo." According to the newspaper, some letters addressed to the "M-19," the "Alfaro Lives" detachment of the "American Battallion" were found on him. According to this report, Ernesto Soto has been a member of the "M-19" for 13 months, and several types of firearms were found in his house.

Soto is related to two Peruvians expelled from Colombia for seditious activities: Herbert David Vicanco and Laureano Chocano, the government newspaper reported.

According to LA CRONICA, the police also detained nine other terrorist suspects in the so-called "red zone" in southern Lima. The newspaper LA VOZ reported today about an operation carried out in Lima's Zone of Collique, in which "hooded members of the military raided houses." The military thoroughly searched the houses, apparently looking for evidence of the presence of terrorists.

In the city of Lambayeque in northern Peru, six hooded and heavily armed presumed members of the Tupac Amaru Revolutionary Movement, entered the "Pedro Ruiz Gallo University" and "gave a 1/2 hour lecture" on terrorist activities, the newspaper HOY reported today.

SANGUINETTI PROPOSES AMNESTY LAW FOR MILITARY

PY290315 Montevideo Radio Carve in Spanish 0000 GMT 29 Aug 86

[Address to the nation by President Julio Maria Sanguinetti on 28 August -- recorded]

[Excerpts] The executive branch today submitted to Congress a pacification bill that is complementary to the one approved in March 1985.

It is essential for people to understand that in keeping with its commitment the government has worked so the country may achieve a (?peaceful transition) and continue to do so. (?We shall strive to achieve this goal) by rebuilding democracy and by achieving the development of the country through peaceful means without allowing ourselves to be disturbed by past passions. [passage omitted]

Many say that it is unjust to grant amnesty to the military and policemen when subversives have paid dearly for their crimes. But I say that we are confronting the issue now, and that it must be resolved now, because we must restore democracy now. We are discussing the issue now but if we continue discussing things of the past we shall never be able to build the future.

I add that this argument for apparent justice is not valid either, because when we granted amnesty to subversives we closed investigations on numerous crimes that were perpetrated by them, crimes for which no one was ever sent to jail. There are still 22 homicides, horrible crimes, that have not been solved. [passage omitted]

It is clear then that many people were not punished. But it is even clearer that the issue under discussion now is that we must look forward, that we must pacify the country as Uruguayans have traditionally done. Uruguay has always had amnesties to end these situations. We must turn the page. This is what Uruguay has done since 1825, at the end of each war, at the end of every confrontation, at the end of every coup d'etat, each of which was filled not only with confrontations but also with beheadings and attacks. This is part of our history, a history that says there was also an (?amnesty enforced). Was not this what Spain did after Franco, after a war, and after 40 years of a harsh dictatorship? This is what Spanish Prime Minister Felipe Gonzalez told us here on Uruguayan television when he said that there comes a time when we must turn the page or the country will continue to (?live in the past). [passage omitted]

Before ending this speech I would like to allude to my triple condition as president of the Republic, commander in chief of the armed and police forces, and a simple Uruguayan citizen.

In my capacity as president, I inform all of you that I regret not having the legal power to resolve this situation, but I nonetheless assume my entire moral and political responsibility. We are not acting recklessly. We are acting after profound reflection, after many discussions and much thinking. We are aware and are convinced that today this is the safest path and the one that offers the least risk to the country. This is what truly matters, because this is the first responsibility of any government. A government is not in power to do what it wants or to do simple and easy things but to do what it must and above all to safeguard the peace of the country so freedom may truly prevail. I hereby assume complete responsibility for this decision.

I ask only that political parties discuss this issue in a noble manner and act without partisan selfishness. I ask each legislator to assume his responsibility. This is a national issue. It is not a partisan affair. There is no reason to dogmatize the situation in a political confrontation. We are only trying to find a path to the future.

As commander in chief of the armed and police forces I tell you that I am at peace with myself and that I am proud to be leading the same Armed Forces, which as a political leader I confronted in past years. Today I have obtained only disciplined subordination from the Armed Forces and above all a decisive spirit to support the democratic outcome.

To those who try to divide the Armed Forces or to undermine the morale of these forces, I assure them that I will struggle with all my power so they will not succeed in their objectives and will always be ready to act if the (?situation demands).

To those who still have fears about the future attitude of the Armed Forces, I assure them that the Armed Forces are demanding only tranquillity and that a pacification law will simply make them more willing to continue dedicating their efforts to their professional activities. In the name of the Armed Forces and of the executive branch, I assume responsibility in this regard. [passage omitted]

The government is doing its duty at this time. We propose a solution in a decisive manner, with faith, and with calmness. We are proposing a change, a clear path, a firm path, that although controversial, is a clear and firm path along which we know we shall be able to achieve a future filled with peace and tranquillity.

We trust and we are confident that all of you will also support this proposal so that no one will have regrets in the future or experience again the unfortunate things we have already experienced, at a time in which we are touching with our hands a different, free, and respected Uruguay, one that is opened to the world, a Uruguay that is (?clean) and has a culture that is alive; a peaceful Uruguay that has many possibilities of achieving a better future.

VIEWS ON ANTIDRUG CAMPAIGNS, DEA ACTIVITIES

De la Madrid: 'Progress Evident'

FL012258 Mexico City NOTIMEX in Spanish 1819 GMT 1 Sep 86

[Excerpts] Mexico City, 1 Sep (NOTIMEX) -- The progress made in Mexico's fight against drug traffic is evident, President Miguel de la Madrid said as he noted that the activities being undertaken by the government are increasingly greater and proportionally superior to those of other countries.

De la Madrid said that in so doing the country fulfills its share in this bitter struggle in which the activities of drug trafficking are being financed and carried out by well organized international criminals.

Nevertheless, Mexico has been the target of diverse pressures from abroad because the actions we have been undertaking are not sufficiently efficient to combat these illegal activities. [passage omitted]

In this struggle, he said, the people are paying with their lives because, since "Operation Condor" began, the army has suffered 392 casualties. In 1985, 10 agents of the federal judicial police were killed, a sacrifice which constitutes an example of honesty and valor. [passage omitted]

The president announced that on 28 May of this year a federal law aimed at preventing and sanctioning torture had been enacted, an action which demonstrates the political and juridical will of rejecting practices that harm human dignity and offend society. [passage omitted]

De la Madrid said the office of the attorney general works in coordination with the federation's states, which is consistent with the requirements of fast and expeditious justice and with the policy of decentralization of national affairs.

He indicated that the Armed Forces guarantee domestic security and the defense of integrity, independence, and sovereignty of the nation so that development may be attained in different areas. [passage omitted] The Armed Forces continue developing their technology to avoid foreign dependence.

Attorney General on Campaign

PA292216 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 29 Aug 86

[Text] Attorney General Sergio Garcia Ramirez said in Monterrey, Nuevo Leon, today that the campaign against drug trafficking has yielded very positive results. He reported that 4 and 1/2 tons of drugs have been confiscated during the past 8 months. Such results had not been achieved in the past 10 years. He said that this illustrated the current administration's efforts against drug trafficking. He also said that the program against drug traffic and dependence being executed in the border zones is to be included in the campaign for the rest of the country. The program, in which the federal and municipal governments and the general public participate, aims at preventing Mexican youth from involvement with this social vice.

Referring to the incident involving DEA agent Victor Cortez, Garcia Ramirez said that this event will not harm the good relations between Mexico and the United States because a respectful and valuable relationship exists. He said that in this struggle against drug trafficking, each agency will operate in its own territory and within its own responsibilities.

Garcia Ramirez was interviewed after a ceremony in which the attorney general's office delivered four aircraft to the Finance and Public Credit Secretariat's general customs directorate at the Monterrey airport.

'Pretext for Intervention'

PA292022 Mexico City EL DIA in Spanish 27 Aug 86 p 5

[Editorial: "Drug Traffic -- A Pretext for Interventionist Practices"]

[Text] For some time the drug traffic problem has gone from being the topic of newspaper headlines to becoming a national and foreign policy issue. Some of the reasons for this change are the increase in the drug use in the United States -- the main world market for these products -- and the proliferation of such illicit as well as profitable businesses in the United States and in several countries in Latin America -- as well as in the world in general -- which currently produce and export various drugs. The increase in the international traffic explains the international efforts to fight it.

The reason drug trafficking has become a political issue is that the U.S. circles of power want to use drug trafficking as a weapon of political pressure against the Latin American countries. In this way, they have gone beyond the bounds of police work, trying to justify their interventionist actions under the legal cover of halting the illegal traffic.

The meddling by U.S. Drug Enforcement Agency police agents in various Latin American countries, violating their national sovereignty, falls within that area. This type of action has been cause for scandal on two occasions. The first occurred with the death of agent Enrique Camarena a few months ago. Camarena's death was used as a pretext for the so-called interception action at the U.S. border. The second occurred in the last few days with agent Victor Cortez' charge that he was tortured by Mexican policemen in Jalisco State.

Independent of the police investigation into the treatment of any citizen of Mexico or of any other country, Mexicans view the intervention of foreign police agents in the national territory as inadmissible. From the legal standpoint, the Mexican Constitution, the country's highest law, explicitly establishes that the Attorney General's Office and the Judicial Police are in charge of pursuing crime in the national territory.

From the political viewpoint, President De la Madrid has clearly stated that Mexico can, on its own, act against the crimes committed within its territory and that it does not need any other country's help in fighting the drug trade.

The issue deserves an in-depth investigation because the Senate, which is responsible for reviewing international treaties, has reported there is no agreement with the United States that permits U.S. policemen to act in our territory. According to reports from abroad, the practice of granting diplomatic visas to such agents is an inherited one.

Nevertheless, it is time for the matter to be investigated carefully. The public must be thoroughly informed. Any action which damages national sovereignty and which is carried out for interventionist reasons must end.

Sepulveda on DEA activities

FL012330 Mexico City NOTIMEX in Spanish 2004 GMT 1 Sep 86

[Excerpts] Mexico City, 1 Sep (NOTIMEX) -- The administration of justice belongs solely and exclusively to the government, Foreign Secretary Bernardo Sepulveda noted in response to a question on the activities of the U.S. Drug Enforcement Administration. In an interview at the Palace of the Legislature, where he attended the Fourth Presidential Report, Sepulveda said the agreements with the United States on drug trafficking deal solely and exclusively with the exchange of information. He said the agreements exclude any type of police activities on the part of DEA agents. [passage omitted]

The foreign secretary said the President will clearly outline the government's internationalist theses in his address before the UN General Assembly on 24 September.

Sepulveda Amor announced that the president will pay official visits to Japan and the People's Republic of China next November. [passage omitted] He also confirmed that he will meet with eight foreign ministers of the Contadora group and its support group in New York on 22 September. He added that the reason for the meeting is to design a scheme of cooperation in the pacification of Central America as well as cooperation among Latin American countries.

Columnists: 'Expel' DEA

PA282019 Mexico City EL UNIVERSAL 25 Aug 86 p 6

[Article by Sergio Iracheta: "We Found the DEA!"]

[Text] The most unconstitutional presence of the oft-mentioned DEA in our (we still believe, independent) country has soured approximately 80 million people.... Moreover, it has perplexed our secretary of foreign relations and our attorney general.

While we feel our stomach turning because of the big fuss over such a flagrant violation of our national sovereignty, the foreign secretariat coolly states that there is no agreement between Mexico and the United States allowing gringo police units to operate here, and the Attorney General's office said that the Mexican drug agents can handle their job without the help of any foreigners. At any rate, the DEA is definitely not authorized and, of course, not needed... but, it is here.

After having to endure the disgusting presence of vermin like "tortured" Victor Cortez, our authorities now tell us they found out that the DEA should not be operating this side of the Rio Bravo. The only thing lacking to reach the pinnacle of bureaucratic bungling would be if Tlatelocan [tlateloca] Bernardo Sepulveda Amor were to ask Sergio Garcia Ramirez if the DEA officials in question are his guests, and if Sergio were to answer that he tolerated them simply because he thought they were Bernardo's buddies.

The situation calls for a remedy, even if it is belated. It is urgent that we place the oft-mentioned DEA agents on the border and give them a good kick on their behinds so they land on the other side... where they never should have left. But, let us do it now.

MINISTER SIGNS COSTA RICAN TRADE AGREEMENT

PA010414 Panama City LA ESTRELLA DE PANAMA in Spanish 31 Aug 86 p A-1

[Text] Commerce and Industries Minister Jose Bernardo Cardenas and Costa Rican Economy and Commerce Minister Luis Diego Escalante have signed documents regarding the Free Trade and Preferential Exchange Treaty. This treaty was signed following broad discussion by the members of the Permanent Mixed Committee.

Through these documents Costa Rica pledges to try to eliminate--within 30 calendar days, starting 29 August--the temporary 2-percent surcharge levied on the import of Panamanian products included in the Free Trade Treaty.

Costa Rica also pledges to try to eliminate the new 3-percent tax which is imposed on the customs value of Panamanian products included in the Free Trade and Preferential Exchange Treaty.

Authorities here will adopt equivalent compensatory measures if Costa Rica does not abide by these agreemets.

The ceremony took place at the Holiday Inn's Presidential Suite.

BRIEFS

INCREASE IN INDUSTRIAL EXPORTS -- Industrial exports increased 29.4 percent during the first half of 1986. This means that an additional 7 million balboas of manufactured goods were exported during the first 6 months of this year compared to 1985. The FOB value of exports during this period totalled 31,005,479 balboas. [Summary] [Panama City Televisora Nacional in Spanish 0000 GMT 29 Aug 86]

MARIJUANA PLANTATIONS DESTROYED -- During the Mary and Jane Phase II Operation, which lasted from 22 to 26 August, units of the Defense Forces destroyed 31 hectares of marijuana plantations on Rey and Pedro Gonzalez Islands. Lieutenant Colonel Roberto Armijo supervised the operation. [Summary] [Panama City LA REPUBLICA in Spanish 31 Aug 86 pp 1, 6B, 7B, PA]

EL SALVADOR

DUARTE UNWILLING TO CHANGE PLACE, DATE OF TALKS

PA310437 San Salvador Radio Cadena YSKL in Spanish 2100 GMT 29 Aug 86

[Text] Salvadoran President Jose Napoleon Duarte today said that he is not willing to change the place or date of the third round of talks in the dialogue process. He said that Sesori was proposed by the insurgent representatives and accepted by the government commission. The president said he pledged to provide security for the rebel commanders and facilitate their arrival at Sesori.

[Begin Duarte recording] The truth is that we have not changed or played around. This is serious. We have proposed a meeting to discuss and define our search for peace. They proposed Sesori, and we accepted it. If they made a mistake and have now decided that they chose an unsuitable place, it is their problem. We are not willing to play around and change the proposal. We will stick to Sesori as the meeting place. We will also stick to the agreed date. The meeting will be held on 19 September. Keep in mind that the document [words indistinct] I said it must be of common accord by the two sides. We do pledge -- and this is absent from the document -- personally and backed by the Armed Forces, to provide all the necessary security so that we can meet at Sesori on 19 September to search for peace. [end recording]

Regarding remarks by San Salvador Auxiliary Bishop Msgr Gregorio Rosa Chavez that the Constitution might constitute an obstacle to the dialogue process and that it would be necessary to revise it, President Duarte said:

[Begin recording] [Duarte] They must join the democratic process. As soon as they have done so, we can do all that is necessary, not only change laws or grant amnesty or whatever, but make all those amendments that the Constitution indicates. The Constitution even describes how amendments are to be effected. Amendments can be effected in two ways: one, by introducing motions during the first assembly. Once they have been approved at the first assembly, a second constituent assembly is convened. Amendments can then be approved by 45 votes. [passage indistinct] Two, I think Msgr Rosa's view is morally right. May I stress this. He thinks about peace. He thinks that the value of peace is above any other values. This, however, jeopardizes the country's institutionality and all the efforts that we have made for 12 years to make progress in the democratic process.

Do you feel that what we hear at this moment would have been heard in 1978 or 1979? In front of the presidential palace, some workers shout and even insult the president. Do you think that this would have been possible in 1978, 1979, or a number of years ago? It is possible today because the country is changing, because the democratic process is transforming the country. This has cost the Armed Forces and people blood, lives, and suffering. It is unfair for human rights to be destroyed. The defense of the democratic process is linked to the defense of the Constitution. I am the president of the republic because the Constitution so establishes and because the nation wants it and democracy permits it. The moment constitutional law is broken, I would cease to be president. Therefore, no dialogue could take place because there would be no one to talk to. This is why I feel that, in practive, Msgr Rosa Chavez is mistaken.

[Reporter] [Words indistinct] amnesty considered for political prisoners. As for international relations, you said last week that the government could back the cost of the U.S. aid for [words indistinct].

[Duarte] In the first place, I want to tell you that, right up to this moment, I have not received the corresponding document from the monsignor. This is not his fault, however. He told me he would speak to me the day before yesterday. But I was scheduled to attend five meetings simultaneously on the same day to discuss problems. But I have not been asked. I wonder why the Salvadoran reporters are not concerned over the drought that the country is suffering from. This phenomenon is much more serious than anything else. We have a full plan to tackle this problem, but I have not been asked about this. I have asked the monsignor to let me make some arrangments amid all my appointments and see if I can make some time in order to talk. I have not had the time to talk to him. This is why I am not aware of the proposal. Once I have received the proposal, I will consider it and give an answer.

On two consecutive occasions, the Armed Forces commanders have fully backed the president of the republic in the search for a solution to this problem.

[Reporter] Regarding the amnesty for the political prisoners and the aid for the counterrevolutionaries?

[Duarte] I have not had the time for this. I was supposed to release [words indistinct], but I have not had the time. If you wait for me here, I will send for her [not further identified] to deliver her to her relatives and you. I would do it very gladly. This government's mind and strength lie in its genuineness, respect for law, and the concept that liberty and justice are above all other objectives. We have been reviewing all pending cases. Whenever I encounter a case in which the inmate can be released despite some measure of guilt, the person is released to show our tolerance. [end recording]

PRESIDENT ALLUDES TO POSSIBLE HELP FOR CONTRAS

PA300222 Hamburg DPA in Spanish 2249 GMT 29 Aug 86

[Excerpt] San Salvador, 29 Aug (DAP) -- According to President Jose Napoleon Duarte, El Salvador could help Nicaraguan rebels, although he did not clarify what this support could be. The Salvadoran president was questioned at midday today by reporters when he attended to the swearing in of three new cabinet ministers for the posts of public works, economy, and foreign trade.

Duarte said: "El Salvador has never given the contras support and will always continue to seek peaceful ways for Nicaragua to reincorporate itself in the democratic process of Central America." Duarte added: "El Salvador does not agree with the training of 'contras' on its territory, unless Nicaragua does not understand, but we shall continue to do everything possible."

He said that, on the other hand, the Sandinists continued to provide a "sanctuary for the Salvadoran guerrillas, for all the insurgents, and also support these movements in every sense." [passage omitted]

VENCEREMOS REPORTS ON CASUALTIES IN MORAZAN

PA291244 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 29 Aug 86

[Text] Radio Venceremos continues to report on the failure of the enemy operation in Morazan. In the area of [name indistinct], Joateca, enemy troops suffered one casualty when a revolutionary mine exploded. During this cast, Radio Venceremos has reported on a total of 23 casualties inflicted on enemy troops during recent actions agaisnt this operation in Morazan. Vides Casanova's troops have suffered 23 casualties in our heroic territory in Morazan Department. What is the purpose of having 30,000 troops strengthening this operation when they cannot stop our actions of [word indistinct] sabotage, and of recruiting the people in the struggle of the people?

FMLN'S SAMAYOA INTERVIEWED ON MEXICO TALKS

PA311907 (Clandestine) Radio Venceremos in Spanish to El Salvador 1430 GMT 31 Aug 86

[Interview with FMLN leader Salvador Samayoa, member of the FMLN-FDR delegation to meeting with government delegation in Mexico City, by unidentified reporter; date and place not given -- recorded]

[Text] [Reporter] Companero Salvador Samayoa, what were the government's arguments regarding the topics the FMLN-FDR regarded as fundamental in the preparations for the third round of talks, particularly the argument they used to reject the proposal to hold the third dialogue meeting in San Salvador?

[Samayoa] The objection of Duarte's envoys to the Mexico City meeting regarding the FMLN-FDR proposal to hold the meeting in San Salvador was ludicrous. Their argument was that the mobilization of popular sectors that would take place if the meeting was in San Salvador would lead to a confrontation between the groups supporting the government and those supporting the FMLN-FDR. They argued that the people are very near the point of frustration regarding their expectations about the dialogue and peace in El Salvador, and that holding the meeting in San Salvador would create a climate of heightened expectations, political pressure, and popular mobilization. They concluded that if no results were obtained the people would be frustrated. Those were the two basic arguments of the government delegation.

That position is untenable and ludicrous. To argue that the Salvadoran workers will clash over the dialogue meeting shows bad faith or that the Duarte administration has no grasp of workers' aspirations or of their political awareness and maturity. There may indeed be segments of society that are [words indistinct], but they do want peace and dialogue. The working class would have supported the meeting if San Salvador had been chosen as the site for the meeting. The workers would have participated in it, and they would not have committed the mistake of clashing as a result of that meeting. That argument is preconceived, ill-intentioned, and untenable. The argument that the Salvadoran people are close to frustration in connection with the dialogue is also untenable; it is the reverse. There has been a process of growing political awareness, mobilization, and support among all popular sectors, among broad segments of Salvadoran society. Not only the workers' organizations, but also the political parties, including the moderate right-wing parties, and social organizations of various political and ideological orientation have closed ranks over the past several months to support the resumption of the dialogue and the struggle for peace.

The government's position was totally defensive. This is understandable, because they want to prevent large-scale concentrations of workers, mobilizations, and political pressure at all cost, because they know the workers would make demands on the government, which has done nothing for the people in the 2 years that Duarte has been president. All it has brought is more unemployment, hunger, poverty, economic, social, and political crises, more dependence on the United States, and a dialogue that has been interrupted for almost 2 years The government knows that all the measures it adopts are unpopular. That is why they are afraid and panicky in the face of a popular mobilization. That is the real reason they do not want the dialogue to take place in San Salvador. There is a greater concentration of people and more organization in San Salvador.

[Reporter] The government delegation refused to discuss important topics regarding the dialogue preparations. They only sought agreement on the date and place of the meeting Why did the Duarte delegation refuse to discuss the agenda?

[Samayoa] The agenda is a key factor in the dialogue because it outlines the topics of discussion in the meeting. The Duarte administration knows that its stance on the possible topics for discussion is also untenable and ludicrous. They maintain that they want to discuss the incorporation of the FMLN-FDR into the democratic process. There is no democratic process. There is a situation of duality of power in El Salvador, in which the FMLN holds power through military, popular, territorial pressure. It is ridiculous that the government try to tell the FMLN-FDR that it must turn in its weapons and join a democratic process that does not exist. At present, there is less democracy than ever in El Salvador. By maintaining the position that only that topic be discussed, it is natural that they refuse to discuss other agenda points.

They know that the FMLN-FDR is striving to achieve a political solution to the armed conflict, to attempt to reach peace in El Salvador with justice and dignity. However, the government does not share that goal. At no point has Duarte sought to end the war with peace and dignity. All he wants is to make time for political purposes, putting out false propaganda about the alleged democratic process. Therefore, they refuse to discuss any topic other than the incorporation of the FMLN-FDR into the so-called democratic process. Duarte's envoys were unyielding. They said they were not authorized to discuss the agenda. That is a political position that does not really want peace or discussion of solutions to the conflict in which the Salvadoran people and the FMLN-FDR are engaged. They want to impose a political model on our fronts and on the people in which only the Christian Democrats, the Army, and the Yankees adopt decisions in El Salvador.

We have made it clear that every day we deal sharp blows to the puppet Army of which Napoleon Duarte claims to be commander in chief. How do they intend to achieve at the negotiating table what they have not achieved on the battlefields or by political means? They have never acquired a political and social base of support for their government. Far from it. The little political support they had has been dwindling over the past 2 years. Therefore, the government's stance of refusing to discuss the agenda shows the lack of true goodwill in the Duarte administration to work to find a just resolution to the Salvadoran conflict.

[Reporter] It is quite reasonable to call a truce during the peace meeting. The FMLN has called truces whenever it has held negotiations with the government. How important is a truce for the holding of the third round of talks? Why is the government so adamant in refusing to discuss this? How important is the demilitarization [of the meeting area]?

[Samayoa] The truce is vital to holding a high-level meeting between the government and our fronts. A meeting of that nature cannot be held unless military actions are suspended, at least during the duration of the meetings. It is inconceivable for the government delegation, our companero commanders, and the companeros who head the FDR and who would attend that meeting to move through large sections of the Salvadoran territory [words indistinct] local and foreign reporters who would cover the event. How would the popular sectors, workers organizations, and social groups who want to and should attend the meeting, move amid a climate and state of generalized warfare, in which military actions are taking place throughout the country and on all the highways? It is absurd. The meeting cannot be held under those conditions. That is why our fronts demand a truce during the days of the third round of talks. However, the government, in a new demonstration of its lack of goodwill regarding the dialogue and the participation of the various interest groups in the meeting, has refused to discuss a truce.

To us, the truce is important for two reasons. Basically, it is a security problem for the participants in the meeting, including the government and rebel delegations, for the people who will attend, and for newsmen as well. It also has political implications. A truce would be a demonstation of goodwill by the two parties, proof that they want to create appropriate conditions for the holding of a successful third round of talks. It is also important because it would serve to test the government's and the rebels' true control over their military forces. We have no problem in that regard. All of our military units and commanders immediately respond to the directives of the FMLN General Command. [Words indistinct] totally different. On many occasions the Duarte administration and Duarte personally have made commitments to hold a truce, and the military commanders, particularly those in the east of the nation, fail to abide by those directives. They obstructed a truce last Christmas, the evacuation of our disabled war companeros, and of the mayors who were exchanged last October. They obstructed the visit by Msgr Rivera y Damas [words indistinct], particularly his last visit to Perquin, in early August. Therefore it is a common occurence. The military commanders in the east customarily override the decisions that Duarte is allegedly empowered to adopt.

In refusing to call a truce Duarte is in fact showing that he lacks real power over the military. That is why he does not want to make a commitment on something that everyone, both in El Salvador and abroad, agrees is imperative for holding the dialogue meeting. Duarte's refusal to call a truce and to discuss it shows a lack of goodwill toward the search for peace and the holding of the dialogue meeting. It shows a lack of political competence and of real power over the Army.

They are also attempting to reject the demand for a demilitarized zone. This is essential for the meeting. If the meeting is to take place in Sesori -- and this is still subject to discussion, but let us assume the meeting will be in Sesori or any other comparable place -- the area must be demilitarized. This is a territory in dispute. There have been intense clashes in northern San Miguel [words indistinct] Sesori. The FMLN units permanently move through the Sesori area. The Army also moves through there.

[Samayoa] The FMLN rearguard is nearby. [words indistinct] How can the meeting be held in Sesori unless it is agreed to demilitarize the zone? One thing that could happen -- and this would be extremely dangerous and a grave irresponsibility on the part of the Duarte administration -- is that armed clashes could take place between the FMLN military units and the Armed Forces. That is why we proposed that the area be demilitarized within a radius of perhaps 5 or 10 km. When the La Palma meeting was held, an agreement was reached on delimitarizing the area. [words indistinct] Duarte is going from bad to worse. He had some power at the time of the La Palma meeting regarding this possibility. However, he is placing all kinds of obstacles in the way of the Sesori meeting. He is not creating appropriate conditions to hold the meeting. This also has political implications, because if the area is not demilitarized, and on the contrary, [words indistinct] government Army troops, this would obstruct the mobilization of the popular sectors and workers organizations that want to go to the place of the meeting. They would find roadblocks, perhaps clashes; government forces would intimidate them to discourage them from approaching the site of the meeting. These are political implications [words indistinct] popular participation [word indistinct] Duarte's refusal to demilitarize the area.

[Reporter] The government, through its propaganda, has tried to portray this as if all the efforts to coordinate the third meeting have been arranged. The FDR-FMLN has sustained that these agreements are still subject to discussion, that they are of a temporary nature. Could you explain [words indistinct] this situation to us?

[Samayoa] This is very important. I believe that everyone should clearly understand that Duarte and the delegates he sent to Mexico to meet with the FMLN-FDR never had the power; moreover, were not truly interested in discussing all the problems that should have been discussed to prepare the third round of talks. During the first journey, the first day of the meeting, that is on Wednesday, 20 August, we only worked 3 hours because the government delegation said it had to withdraw for consultations. The 2nd day of the meeting, the same thing happened: We worked only 3 hours for the same reason, and we reached the 3d day of meeting and practically the night of the last day, and we had not been able to reach agreements on any of the proposed points. In the end, the government only showed interest in choosing a place and a date, but with all the irresponsibility in which we [as heard] have been talking, it refused to discuss all the aspects regarding the security during the meeting, the agenda for the meeting, the coordination of a truce, it refused to discuss the demilitarization of the area and also refused to agree on the participation of the several sectors of the national life in this third round of talks.

Thus actually almost everything is still pending agreement. The place and the date are just two among many points and may not be the most important among the points on which we had to agree. This should be absolutely clear, and this has been stated in the report by Msgr Arturo Rivera y Damas: All matters regarding the security of the meeting, the mobilization, travel of the FMLN-FDR delegation to the place of the meeting are still pending. All questions related to the participation of the other sectors are also pending. The FMLN-FDR proposed vigorously, with great emphasis, with much fairness, because it was the people's general desire that there should be observers from the workers organization, observers from the political parties for this meeting. The government refused to agree on this, so this is also pending.

[Samayoa] We believe this is a maneuver they planned from the beginning. That is, they have acted with evil intentions by going to Mexico with only the goal of obtaining an agreement on the location and date, with no intention of discussing the rest of the matters that should have been prepared.

Our people have all the political maturity and consciousness to understand that the FMLN-FDR will not jeopardize the lives of its highest leaders, by surrendering or putting their security in the hands of the government's Armed Forces. We all know that we cannot trust the goodwill of these people to fulfill the agreements. The people also have all the political wisdom and political consciousness to defend the subjects that would be discussed in the third round of talks in case Duarte refused to discuss them in advance. If this happened, we would be going to the dialogue not knowing why we were going there. We would be attending the dialogue without having the subjects that would be discussed, and we would probably be going there to spend half of the time agreeing on what subjects would be discussed in the meeting. This would be absurd.

Moreover, it should be clear to the people that we also proposed that the third round of talks should be a meeting that lasted a minumum of 2 days, but Duarte stubbornly insisted that the meeting should last a maximum of 1 day. Therefore, if the meeting last only 1 day and we are going to spend half of the day discussing the agenda for the meeting, then it would be a failure and the government is to be blamed for this.

We already know that the pending points -- namely, the discussion of the agenada, the discussion of the military truce, the demilitarization of the area, the participation of the political and the social sectors -- are the main points that should have been discussed in a preparatory meeting, and practically all of them are pending for discussion. This is why the agreement on the location and date are not and cannot be definitive. This is why, in Msgr Rivera y Damas' report of the meeting, it is stated that the location and date are subject to modifications, obviously, independent of whether or not an agreement is reached on all the pending points. They are pending because the government did not want to discuss them. This is why a second preparatory meeting has been scheduled, to try to reach an agreement on all the pending points. Obviously, needless to say, in case we do not reach an agreement on all the pending points [words indistinct] to the celebration of the third meeting.

[Reporter] There was a [words indistinct] in this preparatory meeting held in Mexico which surprised our people, which was the participation of Mr Soriano, a member of the (?unions). Could you tell us, Companero Samayoa, what was Soriano's participation all about, and what was his stand during the meeting?

[Samayoa] Duarte sent MR Soriano to Mexico as a member of his delegation. He sent us a (?mockery) to make us believe that in his way he was permitting the participation of workers and their organizations in the dialogue. This was a lie because this man, as the workers organizations have publicly stated in El Salvador, does not represent the working class or the people's struggle and aspirations. Everyone know the ties of Mr Soriano with the Institute for the Development of Free Unionism, one of the worst institutions of Yankee imperialism. We all know that this institute has played an ill-fated role in its task to weaken the labor organizations and infiltrate and divide the workers' struggle. Mr Soriano is very close to the imperialist instrument: the counterinsurgency struggle.

The workers organizations [words indistinct] reported this when it was announced that Soriano was to be a member of Duarte's delegation to Mexico.

From the very beginning of the meeting in Mexico, the FMLN-FDR questioned this gentleman's presence in the meeting. To us, it was obvious that the government delegation had to be comprised of government officials who had the authority to enter into agreements on behalf of the government just as the FMLN-FDR representatives had to enter into agreements on behalf of our (?fronts') leadership. As far as I know, Mr Soriano is no government official and, therefore, he had nothing to do in that meeting as a government delegate.

However, it became evident that Mr Soriano and probably the clique he belongs to and represents are linked with and help -- a link and cooperation that is now barefaced and was unmasked -- the counterinsurgency plans of U.S. imperialism and Duarte himself.

Now, what was the nature of this man's participation? They tried to use him so that at a certain moment in the meeting he would speak on behalf of the Salvadoran workers. They tried to use him to argue against the FMLN-FDR demand to hold the meeting in San Salvador. They tried to use him to argue against the FMLN-FDR demand concerning the participation of the people's sectors. Regarding this issue, Soriano played an ill-fated role which became known to all workers because Soriano was used to defend Duarte's position that the workers organizations and all the country's political and social sectors must not participate in the dialogue. In other words, he played a role that is completely opposed to the just and legitimate aspiration and demand of all the people, which is to participate in the dialogue process and in the process to seek peace.

Mr Soriano was unmasked. His ties have been established. We do not think he can continue to claim that he represents the worker's rights. Napoleon Duarte's maneuver was also unmasked.

[Reporter] You have talked about the people's participation during this interview. What message can you send to our people [words indistinct]?

[Samoyoa] The message to our people is that we must intensify the political struggle. But it must be a fighting [combativa] political struggle to demand the participation of all the workers and of all the people in the dialogue process, and, particularly, the participation of [words indistinct] El Salvador in the third dialogue. It is very important that the workers organizations send observers to the meeting so they can directly witness the political [words indistinct] positions of the Duarte government and the political [words indistinct] of the FMLN-FDR.

Therefore, all the workers and the people can clearly identify who is seeking peace with justice and dignity [words indistinct] and who is obstructing the peace process.

This is a struggle that must be intensified. [Words indistinct] for several weeks and publicly. But this struggle must be intensified now to make Duarte accept the workers' participation, which is legitimate. All the people must know that the FMLN-FDR will continue to fight to make the participation of all sectors a reality.

In addition, the people must intensify the political struggle to demand that the Duarte Government implement the military truce and demilitarization of the area where the meeting must be held [words indistinct] by Duarte's Armed Forces. The people must also demand the publication and discussion of the agenda that will be studied at the dialogue meeting. [Words indistinct] of general interest. Everyone must know what topics will be discussed in the third dialogue meeting. After knowing the topics to be discussed, the people can reach their own conclusions about the political views. The people can and must demand that the Duarte government [words indistinct] FMLN-FDR those topics that can lead to a just political solution and a peace with justice and dignity for all the people.

This is the message: Let's increase the combative struggle in all areas and demand that the Duarte regime take the dialogue seriously, discuss all the pending topics, made commitments concerning the participation of all the sectors in the dialogue, make commitments concerning the security that must be agreed upon for this meeting, and make the commitment to discuss, at the third dialogue the realistic and just way to lead the process toward the search for peace.

JORGE VILLACORTA REVIEWS BASES OF DIALOGUE

PA290420 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 28 Aug 86

[Interview with Jorge Villacorta, member of the FDR-FMLN delegation to meeting with government delegation in Mexico City, by unidentified reporter; date and place not given -- recorded]

[Text] [Reporter] It can be said that the preparatory meeting for the third dialogue lasted too long in comparison with its results. Can you give us the reason for this?

[Villacorta] Actually, we feel that the reason for the excessive length was in part that these people lacked a real [word indistinct] spirit of responsibility. I remember they were late the 1st day and we did not begin the meeting until 1700 and worked only 3 hours. We had to adjourn it at 2000 to [word indistinct] when we had just begun discussing formal aspects such as [word indistinct]. However, the main element was that. [Words indistinct] We had agreed that [word indistinct] news conference the next day. They told us they would not participate in the news conference because this was something the ambassador should do. They [words indistinct] arriving late at the meeting. The result was that we worked only 3 hours and 15 minutes again. In fact, the first 2 days should have presumably represented 16 hours ot two 8-hour shifts. In practice, these 2 days represented only 6 hours and 15 minutues of work.

The last day [words indistinct] 1300 in the afternoon, when they had a position already. The suspension on the 2d day was strictly for consultations. That is, one can surmise that these people had very little leeway to make decisions. They wanted to reduce the agreements and actually expressed surprise at the aspects we [words indistinct]. Our proposal called for discussing five major areas, which included security, the agenda, participants in the dialogue, and formalities, such as the place and date as well as the participation of the press and the remaining social forces. The said they were surprised and we found this strange because this was not our first meeting. We were seeking agreement on a third meeting. Consequently, this same [words indistinct] to agree to hold the meetings in La Palma and Ayagualo. Therefore, they could not claim to be surprised. At the bottom of this there was weakness on the part of the government. [Words indistinct] its inability to conclude agreements.

[Reporter] What was the position of the government and the FDR-FMLN during the discussions to select the venue of the meeting?

[Villacorta] The real objectives of the dialogue began to fall into focus at this stage. The government wants to keep the dialogue removed from public knowledge and devoid of participation by the various sectors. Their objective is to hold the dialogue in an isolated place. Why? They said it very clearly in July -- so the dialogue is not surrounded by a spectacular atmosphere -- which they call a show -- the spectacular atmosphere that it requires. The possibility that the national sectors will know what is being discussed frightens and terrifies them. It worries them to the extreme to have to reach agreements in front of witnesses or observers who can point out later that they are not fulfilling the agreements.

Their first objective is to hold the dialogue at a location that is totally inaccessible to the people. Their second objective is to hold it in a (?militarized) area, in an area under their absolute control so that, as they put it, the security of our leaders will be completely under the Army's control. The security is a problem for us as forces [words indistinct] out leaders [words indistinct]. They want to hold the meeting in a totally controlled and militarized place. That is why they have rejected the proposals to hold it in San Miguel (?or) Goteras as (?they) had suggested. Our proposal, instead, calls for holding it in wide open places where the people can be present and learn of our proposals. This was San Salvador. We insisted on San Salvador and they rejected all proposals we made with regard to San Salvador.

In view of this, we then suggested the possibility of holding it in eastern Salvador, in the area of Sesori, because [words indistinct] the security aspect even though it meant that the participation aspect would be sacrificed somewhat. In this sense, Sesori is located in an area where there is a permanent [word indistinct] of FMLN fighters. There is constant fighting in that area and it has an (?immediate) rearguard. The town is not under military control. It was not under military control at that moment. Therefore, this allows our forces to be present there and to provide (appropriate) security to out leaders. In other words [words indistinct] presence of the FMLN's forces. This is the other aspect we took into account.

We also feel that mechanisms could be established for better communications, for a better possibility of developing [words indistinct] the FMLN definitely insists on the indispensable principle of meeting the demand made by various sectors of the community. They want to participate in the dialogue as observers. We are going to insist on this, because it is something which different sectors are seeking. We definitely believe it will be beneficial to the dialogue, to the agreements, and to see that the agreements are complied with by the government, which usually does not live up to its commitments. For this reason we feel that to overcome some communication problems, we must have observers.

We also feel that it is necessary to have a truce and the demilitarization of the zone. To militarize the xone will only jeopardize the third round of talks. Sesori was accepted because of the conditions it offered. It was a demilitarized zone [words indistinct] I repeat, to militarize the zone and to have [words indistinct], which is what they are doing, is to destroy the few favorable conditions for the dialogue.

We must not forget that the site where the dialogue will be held is not definite yet; it could be changed.

[Reporter] Soriano was among the members of the commission who participated in the preparatory meeting in Mexico City. Soriano is a member of the Trade Unions Federation of Construction, Transportation, and Related Industries, Fesinconstrans, and of the National Union of Christian Workers, UNOC. Could you tell us under what conditions did he participate in the meeting?

[Villacorta] There were some contradictions regarding his participation. We wanted to know under what condition was he participating. [Culture and Communications Minister Julio Adolfo] Rey Prendes said that they were member of a delegation representing the president of the Republic, and that he chose the members of the delegation. Therefore, he had been sent by the president of the Republic. When he was given the floor, Soriano said he had been sent by the labor organizations he represented. Here, we had the first contradiction. He was contradicting what the head of the official Salvadoran delegation had said. According to what he said there, he was not Duarte's representative, but of the [words indistinct].

He participated a couple of times when [words indistinct]. Definitely, Soriano's participation was mainly that of an observer, invited by the government. There is an interesting aspect to this. The government with the presence of Soriano was clearly indicating the need for various sectors to participate in the dialogue. Of course, he was there because the president invited him, and this is itself is not favorable to him. Instead, it disqualifies him as a workers representative. I think this is an aspect on which we must insist, the need to have observers. Soriano's presence has confirmed it. Unfortunately, his participation was somewhat dubious, because he was a labor representative appointed by Duarte, to serve as an observer, but most probably at the service of the government. His participation was very poor. However, if it serves to stress the need to have observers during the dialogue, this could be the only positive aspect of his participation.

[Reporter] Companero Jorge Villacorta, what is your message to the people, now that they are demanding their right to have a just peace?

[Villacorta] We must be alert, because during the preparatory meeting, it was obvious that Duarte's regime has limited space to make agreements for a true negotiated political resolution of the conflict. Therefore, it is indispensable to be on the alert, to insist on a national dialogue to exert pressure on the government. We do not want to hear such simpleton demands asking us to put down our arms and to join an alleged democratic life. Such a demand is absurd and unrealistic. I insist that we must pressure for a negotiated political resolution of the conflict, which is the only alternative.

We have to be alert, because the government is using the dialogue as a maneuver, as another tactical move, but with no real desire to hold a dialogue. This has been shown in many ways, with its propaganda on the location where the dialogue is going to be held. What makes things worse is that the place is being militarized. This is definite and clear proof that there is no real desire to reach agreements and significant policies during the dialogue.

However, I think that what is most important is for the people to be on the alert to demand their participation, because the only real guarantee of advancing toward a negotiated political solution is the presence and participation of the different sectors of our society, disregarding their social and economic level and their ideological beliefs. What is important is to know who wants peace. Those who want peace should unite.

What we must insist on is that the agenda includes issues which allow for real progress for a political resolution. The people cannot simply accept the discussion of human rights. It is important, but more important is to reach political agreements and political solutions to the conflict. In this regard, only the various social sectors can make demands through real participation as observers in the dialogue.

GUATEMALA

PRESIDENT CEREZO DENIES RUMORS OF COUP D'ETAT

PA020427 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 2 Sep 86

[Text] After he had delivered the nation's budget bill to Congress, President Vinicio Cerezo held a news conference in which he referred to the constant rumors of a coup d'etat. President Cerezo said that conditions at this moment are not favorable for a coup d'etat because state matters are currently going well. Referring to the rumors of a coup d'etat, President Cerezo said that these rumors are mere speculation by those who would like to see a coup. President Cerezo added that there will be no coup d'etat.

In regard to Juan Francisco Alfaro Mijangos, secretary general of the Guatemalan Confederation for Trade Union Unity, one of the people who has been spreading the rumors, President Cerezo said that Alfaro Mijangos is probably annoyed becasue he was not appointed to a cabinet or any other post in the government.

HONDURAS

ICJ JURISDICTION IN NUCARAGUAN SUIT CHALLENGED

PA301724 Panama City ACAN in Spanish 1531 GMT 30 Aug 86

[Text] Tegucigalpa, 30 Aug (ACAN-EFE) -- The Honduran Government has informed the International Court of Justice [ICJ], headquartered in The Hague, Netherlands, that it will challenge the court's jurisdiction in a preliminary action filed by Nicaragua. Foreign Minister Carlos Lopez Contreras traveled to The Hague to tell the ICJ that, based on its declaration of 22 May 1986, his government has decided not to recognize the court's jurisdiction on such matters as the Nicaraguan suit.

Nicaragua filed suit against Honduras in late July on the grounds that it is violating international law by allowing counterrevolutionaries to maintain camps in its territory with support from the United States.

Lopez Contreras also tole the international judges that Honduras rejects the charges and appointed Mario Carias Zapata, Honduran ambassador to The Hague, as its representative before the court.

Nicaragua filed the suit 3 weeks after the ICJ ruled in its favor in a similar suit against the United States.

AGREEMENT WITH NICARAGUA SETS PAYMENT CONDITIONS

PA021930 Tegucigalpa EL HERALDO in Spanish 1 Sep 86 p 3

[Text] On 28 August the governments of Honduras and Nicaragua signed an agreement at the Office of the Director of the Honduran Central Bank to acknowledge and pay debts.

Jaime Valdivia Arguello, Nicaraguan Central Bank vice president, and Gonzalo Carias Pineda, Honduran Central Bank president, participated in the signing.

Under this agreement, the Nicaraguan Central Bank acknowledges owing Honduras $58.7 million from debts involving liquidations in the Central American Compensation Chamber, as well as other debts.

The conditions for the payment of such debts specify a repayment period of 10 years, with at grace period of 3 years, during which interest will be capitalized under the same conditions agreed on for the total debt.

Amortizations will be made at the end of each year for $7 million, the 4th and 5th years for $8 million, the 6th and 7th years for $9 million, and the amortization for the 8th and 9th years and the balance plus interest corresponding to the previously mentioned payments will be made at the end of the 10th year. The Libor [London interbank offered rate] will be applied to a 6-month period beginning with the payment plus 1 and 1/2 percent per year.

The signing of the renegotiation agreement with Nicaragua is important to Honduras because it successfully documented a portion of the debt that was still pending. It also refinanced the portion that was already documented.

NICARAGUA

CONTRAS MAKING 'SPY FLIGHTS' INTO COUNTRY

PA300010 Managua BARRICADA in Spanish 29 Aug 86 p 5

[Text] The establishment of counter revolutionary groups in Costa Rican territory near the Nicaraguan border is being accompanied by spy flights from Costa Rica which carry out reconnaissance and supply missions.

These flights, which violate our airspace, have been carried out continuously since May. They cover the areas of Rio San Juan, Nueva Guinea, and Bluefields.

In May and June, helicopters from Costa Rica overflew the border sectors of La Penca and La Pinuela -- the latter is located in the area of central Zelaya.

Similarly, a C-130 plane was detected in the area of El Chile Creek, in Nueva Guinea.

Subsequent to that, two Cessna planes overflew in a threatening manner the areas of San Miguelito and San Carlos, both located in the special zone of Rio San Juan.

Finally, reports indicate that four plans of unknown type overflew Bluefields, and then headed into Nicaraguan territory.

The reports reveal that these are reconnaissance flights and supply missions for the contra forces located in the interior of the country, which have been hit hard by the EPS in the last few months.

CASTRO MEETS IRANIAN, LIBYAN LEADERS IN HARARE

PA021353 Madrid EFE in Spanish 1221 GMT 2 Sep 86

[Text] Harare, 2 Sep (EFE) -- President Fidel Castro and Iranian President 'Ali Khamene'i met today in Harare with Libyan leader Mu'ammar al-Qadhdhafi.

Al-Qadhdhafi arrived unexpectedly in Harare on Monday night. His first activity during the morning was to hold the tripartite meeting.

The Libyan delegation to the ministerial meeting held last week to prepare for the Eighth Nonaligned Summit tried to introduce into the draft political declaration a reference against the United States dealing with "state terrorism."

The Libyan proposal, which was supported by Syria and Iran, was rejected by the majority of their ministers or chiefs of delegations who participated in the preparatory meeting.

Meets With India's Gandhi

FL021738 Havana Television Service in Spanish 1700 GMT 2 Sep 86

[Text] Commander in Chief Fidel Castro met today with Indian Prime Miniter Rajiv Gandhi, outgoing president of the Nonaligned Movement.

The two former presidents of the Nonaligned Movement had a friendly meeting, exchanged opinions on the Eighth Nonaligned Summit, and expressed their satisfaction with the meeting.

In addition to the two statesmen, Carlos Rafael Rodriguez, vice president of the councils of state and ministers, and (Naduar Singh), member of the Indian cabinet, also participated in the meeting.

CASTRO RECEIVES CANARY ISLANDS GROUP

FL291254 Havana Tele-Rebelde Network in Spanish 1100 GMT 29 Aug 86

[Text] At the headquarters of the Cuban Institute of Friendship with Peoples [ICAP], Fidel Castro met with members of a group of visitors from the Canary Islands. The visit was organized by the Canary Islands-Cuban Jose Marti Friendship Association. The meeting took place in a fraternal friendly atmosphere, as is fitting to the historical ties between our two peoples.

The 174 members of this group have visited sites of cultural, historical, social, and political interest, and have met with representatives of the people's government in Sancti Spiritus and Matanzas Provinces.

SOVIET UNION REFUSES TO PAY HIGHER SUGAR PRICES

FL022056 Bridgetown CANA in English 2036 GMT 2 Sep 86

[Text[Bridgetown, Barbados, Sept 2, CANA -- The Soviet Union has refused a Cuban request to pay higher prices for its sugar and has also refused to lower its oil price to Cuba, the London-based LATIN AMERICAN COMMODITIES REPORT said today.

The periodical, in its current issue, said that according to the latest Cuba-Soviet trade agreement, covering 1985-1990, Cuba will export four million tonnes of sugar a year to the Soviet Union at 850 roubles a ton (one rouble is equivalent to U.S. 1.50 dollars), lower than the 915 roubles a tonne.

Moscow has also refused to lower the price for the oil it sells Cuba. This remains at 26 roubles a tonne, said LATIN AMERICA COMMODITY REPORT.

FRENCH EMBASSY DENIES MEDIA ACCESS TO BOFILL

FL301610 Bridgetown CANA in English 1440 GMT 30 Aug 86

[Text] Havana, Aug 30, CANA-REUTER -- The French Embassy has refused journalists access to Cuban dissident Ricardo Bofill, who entered the embassy compound Wednesday and refuses to leave. The 52-year-old former Havana University philosophy professor, who has spent almost a decade in jail since 1968, has been told he may not emigrate and join his wife in Miami.

Embassy officials have turned down requests by foreign journalists for interviews with Bofill and, according to a French source, have banned him from telephoning journalists.

In Paris, a French Foreign Ministry statement confirmed that Bofill was refusing to leave. In April, 1983, Bofill refused for several hours to leave the French Embassy but did so voluntarily after Cuban assurances that he would not be jailed, A French diplomat in Havana said.

According to a MIAMI HERALD interview with Bofill's wife in 1983, Bofil was a member of the Cuban Communist Party until 1967 when he was arrested for membership of an Anti-Castro splinter group. She said he served seven and a half years in jail.

A Western diplomatic source said Bofill was jailed in 1968 and released in 1974. He was detained again in 1980 and released in 1982. Since then he had periodically visited foreign journalists and western embassies, especially the French and Spanish. In December, 1983, Bofill was arrested after giving a lengthy interview to two French reporters who were expelled.

Diplomats in Havana said French President Francois Mitterrand has interceded on Bofill's behalf with Cuban President Fidel Castro.

Western diplomats believe the French Government will follow a course of quiet diplomacy to convince the Cuban Government to allow Bofill to leave.

They said the incident could dampen the effects of Castro's decision, after an appeal from [words indistinct].

Ambassador Returns; No Comment

PA311545 Paris AFP in Spanish 1417 GMT 31 Aug 86

[Text] Havana, 31 Aug (AFP) -- French Ambassador to Cuba Jean-Luis Marfaing cut short his vacation and returned to Havana on Saturday night.

When asked this morning by AFP, the ambassadsor did not make any comments on the fact that Cuban intellectual dissident Ricardo Bofill Pages, 52, has been at the embassy since Wednesday.

According to observers, Marfaing's return confirms two things: Negotiations are being conducted with the Cuban Government and Paris considers the situation serious.

Both France and Cuba have observed total official silence for 4 days concerning the reasons and possible demands by Bofill, who is not authorized to contact the press.

Only two of his close associates stated he wishes to call attention to the human rights situation in his country and try to obtain authorization for him, and possibly other persons, to leave Cuba.

President Fidel Castro is in Harare, Zimbabwe, to attend the summit of the Nonaligned Movement.

ALMEDIA IN LIBYA FOR ANNIVERSARY CEREMONIES

FL011414 Havana Radio Progresso Network in Spanish 110 GMT 1 Sep 86

[Text] Juan Almeida Bosque, vice president of the council of state, has arrived in Tripoli, Libya, heading a Cuban delegation to the festivities commemorating the 17th anniversary of the triumph of the Libyan revolution.

The delegation was met at the Tripoli airport by (Bassam Sarlana), secretary of the people's committee of the general treasury secretariat, and (Saragat Lait), president of the Libyan Association of Friendship with the Peoples.

COUNCIL OF STATE APPOINTS BRAZILIAN AMBASSADOR

FL021338 Havana Radio Progreso Network in Spanish 1100 GMT 2 Sep 86

[Text] The Council of State has appointed Comrade Jorge Bolanos Suarez as ambassador to the Federative Republic of Brazil. At the time of his appointment, Bolanos Suarez was vice foreign minister responsible for European affairs after having served as ambassador to Poland, CSSR, and Great Britain.

CYC CALLS FOR STRONGER REGIONAL COOPERATION

FL011714 Bridgetown CANA in English 2106 GMT 30 Aug 86

[Text] Roseau, Dominica, Aug 30, CANA -- The Fourth Caribbean Youth Conference (CYC) has ended here with a call for the strengthening of regional cooperation and unity. Fifty young politicians from 25 moderate parties of 16 regional countries attended the one week meeting, centered around the theme, united action for the preservation of Caribbean peace and democracy.

One of a number of resolutions passed by the delegates called on the Caribbean Community (Caricom) to support the recent call by the president of the Caribbean Development Bank (CDB) William Demas urging that more positive steps be taken towards regional integration. The CYC considered Demas' call important and timely, and called on Caricom to strengthen the existing regional institutions, and embark upon initiatives to strengthen and promote unity and cooperation in the Caribbean.

The host country's prime minister, Eugenia Charles, commenting to reporters on the significance of the CYC meeting, said yesterday:

"I believe that the conferences are perhaps the best thing for getting the Caribbean together. We can sit down and talk about trade a million times, but it's young people meeting like that, exchanging ideas, understanding their differences, and getting to know to live the differences that is going to help us all together."

The CYC stressed the need for peace and security in the Caribbean, where individual countries have limitless resources. The conference noted that not all regional countries are committed to the Regional Security System (RSS) and called on the heads of all Carribbean governments to commit themselves to the system. The RSS is an arrangement between independent countries of the Organisation of Eastern Caribbean States (OECS) and Barbados for cooperation in coast guard and specified military activity.

Another resolution passed by the CYC meeting urged members of Caricom to support the idea of a Caricom Human Rights treaty.

The meeting saw the drug problem in the region as being dangerous to health, contributing to crime, detrimental to the regions present-day generation, and a threat to peace and democracy in the region. In three separate resolutions on the question of drugs, the conference urged regional governments to adopt anti-drug trafficking measures, while respecting individual rights to basic justice and human rights, to increase the penalty on those caught in the act of drug trafficking, and to take firm action towards educating the youth on the dangers of drugs, while making adequate provision for the rehabilitation of those affected by the use of drugs. The CYC called for the implemetation of drug legislation, and the enforcement of tighter security to combat the problem. The young politicians want their governments to cooperate with each other and the United States in the war on illegal drugs, while respecting the sovereignty of each other states.

Other resolutions passed ask for improvements in the level of modern technology in the region's economic and educational system, and cooperation by regional governments to ease the problem of illegal immigration in the Caribbean, through cooperation by governments in the repatriation of their nationals.

The conference urged lending agencies, including the International Monetary Fund (IMF) and the World Bank, to soften the terms and conditions of loans so as to ease the economic burden these conditions impose on developing countries within the region. The CYC also called for greater efforts towards the eradication of apartheid in South Africa.

BARBADOS

PRIME MINISTER BARROW REELECTED DLP PRESIDENT

FL020100 Bridgetown CANA in English 1430 GMT 1 Sep 86

[Text] Bridgetown, Sep 1, CANA -- Barbados Prime Minister Barrow has been re-elected unopposed as president of the Democratic Labour Party (DLP), the party reported today.

The election took place yesterday, when the party's 31st annual conference opened.

Deputy Prime Minister Erskine Sandiford was elected as vice president as the DLP increased the number from three to four.

The other vice presidents (Health Minister Keith Simmons, his brother Dr Erskine Simmons and Agriculture Minister Warwick Franklin) were re-elected.

For the fourth consecutive year, Pedro Welch has been elected general secretary. Minister of the Public Service Harcourt Lewis has replaced the late Horatio Cooke as treasurer.

HAITI

PIERRE CLAIMS EXTRADITION 'DEATH SENTENCE'

FL292258 Bridgetown CANA in English 2156 GMT 29 Aug 86

[Text] Brasilia, Aug 29 (CANA-REUTER) -- Former Port-au-Prince Chief of Police Colonel Albert Pierre today told a Brazilian supreme court judge his extradition to Haiti would be like sentencing him to death.

Pierre, 51, police chief under former president-for-life Jean Claude "Baby Doc" Duvalier, denied charges of torture and murder contained in an extradition request by Haiti's interim government. If I am sent back home I will not be given a chance to defend myself, he said. My extradition to Haiti is the same as a death sentence.

Pierre, elegantly dressed in a blue suit, was interrogated for the first time by the supreme court since his arrival in Brazil on February 23. Speaking through an interpreter, he said: My functions as a military and police chief between 1981 and 1985 had no connection with the so-called Tonton Macoute, a paramilitary police created during the rule of Jean Claude's father Francois. I am no chief, much less a member of the Tonton Macoute. I am not the murderer or torturer the new government of Haiti is trying to portray me as in the eyes of the Brazilian justice and world opinion, Pierre said.

The Haitian government formalized its request for Pierre's extradition in June. He came to Brazil with his wife and fellow officer Gener Cotin after Duvalier fled the country on February 7 after a wave of civilian protest. In March he was taken under preventive custody while his country's government prepared a formal extradition request. The Haitian government charged Pierre with the murder and torture of two members of the military arrested by the Port-au-Prince police in 1982 and of a couple arrested for alleged subversive acts.

He explained that the two military men and the couple were taken in for questioning in April 1982 suspected of taking part in a conspiracy against the government. They were all released unhurt shortly after, Pierre said. It was only recently, when Haiti requested my extradition, that I learned that the military men had died and that the couple was tortured, he added. He said his relationship with Duvalier had deteriorated well before the dictator was overthrown and that he was removed from his functions on December 30 of last year. He said he received death threats and was living in reclusion since January until the day he sought political asylum at the Brazilian embassy on February 10, disguised as a woman, "or else I could have been lynched by my enemies."

When a Haitian jury sentenced former security chief Luc Desyr to death last month, a spokeswoman for the Brazilian Justice Ministry said Pierre would not be extradited if there were any chance he could receive a similar penalty. Brazil's extradition policy does not allow for people to face in the requesting country any sentence which does not exist under the Braizilian criminal law. There is no death penalty or life imprisonment in Brazil. The harshest sentence set by Brazilian law is 30 years in jail. My enemies are now in the government. They have requested by extradition to kill me, Pierre said. A decision on the extradition request is likely to be taken in September, an attorney present at the interrogation said.

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SENATE REJECTS RESUMPTION OF UK TRADE TIES

HK040426 Hong Kong AFP in English 0421 GMT 4 Sep 86

[Text] Buenos Aires, Sept 4 (AFP) -- Argentina's Senate urged the government Wednesday night not to resume trade links with Britain, broken off with diplomatic relations in the wake of the war the two countries fought in 1982 over the Falkland Islands (Malvinas).

It approved a plea against trading directly with Britain which was introduced by a senator from the ruling Radical Party and backed overwhelmingly by the Justice Party, Argentina's second biggest party.

All trade between the two countries since the war has been conducted through third parties. But Britain, while refusing to discuss the sovereignty of the islands, which Argentina claims, has said it is ready to resume direct economic ties.

Buenos Aires has so far rejected such ties unless there are talks on "all the problems" between the two countries over the Falklands.

MINISTER SOURROUILLE ADDRESSES ECONOMIC ISSUES

PY301859 Buenos Aires Domestic Service in Spanish 0002 GMT 30 Aug 86

[Speech to the nation delivered by Economy Minister Juan Sourrouille on 29 August from the Economy Ministry in Buenos Aires -- recorded]

[Excerpts] Good evening. I am addressing you tonight to discuss something that concerns all of us: The recent increase in the inflation rate.

The last consumer price index for the month of July recorded -- as you all know -- an increase of 6.8 percent. And, everything leads us to believe that the August consumer price index will be even higher. This situation has caused understandable concern among the people, because after many years they are beginning to appreciate the benefits of economic stability.

This increase in the cost of living is bad news for you and also for us. You may even wonder if we are on the verge of experiencing a new inflationary escalade. I am certain that very few people would be happy about that. Through long and bitter experience, we have learned that inflation implies a deterioration of the well-being of all, encourages unproductive speculation, and impedes us from overcoming stagnation or achieving economic growth.

The fact that the Argentine people are not indifferent to rising inflation is a postive political sign. It means we Argentines do not want to return to being a frustrated country, as in the past. This must be justly praised. It is easier to find solutions when there is a willingness to overcome difficulties.

The Economy Ministry has been evaluating the situation calmly. This has always been our work method, because we are aware of our responsibility and of the technical resources available. We have avoided reckless actions and simple answers to complex problems -- such as that of inflation -- which encompasses many factors.

Today, I want to inform you of our evaluation so that together we may consider what has happened and define those measures that must be implemented to counter the current inflationary outbreak.

When we implemented the Austral Plan, we knew the inflation problem in Argentina was not caused by a single factor and that it had to be dealt with on several fronts. This led to the enforcement of the economic stabilization policy that, on the one hand, allowed us to achieve a sharp decrease in price increases and, on the other hand, to overcome the economic recession and to achieve a gradual recovery in production. In order to achieve these results, we mounted a two-pronged attack: one against inertial inflation and another against the imbalance of public finances and the monetary disorder that imbalance entails. [passage omitted]

With firm and clear ideas, the government is now engaged in another round of the foreign debt renegotiations. This is the first time we are going to negotiate without having arrears or pressure. This will permit us to study our requirements carefully and to justify our requests properly. We are no longer discussing an emergency program, but an integrated development plan.

The government has established three principles as the basis for negotiation. Argentina is now prepared to continue its efforts, but these must be shared by other interested parties. The growth of the economy is not negotiable, because it is a need and a right of the Argentine people and the only way out of the debt morass. Argentina will continue to discuss and explain the foreign debt issue at the political level and will continue to emphasize that the normalization of the external sector is linked to the implementation of more just and equitable financial and commercial policies by the creditor countries. The creditor governments will be asked for support through the multiannual refinancing of the matured debts with an official guarantee, and the granting of new credits for the financing of Argentine imports.

The commercial banks will be asked for a triple contribution to our efforts. First, a substantial reduction in the rates they charged above the cost of funds; second, the long-range refinancing of all the matured public foreign debt and government guaranteed foreign debt of the private sector; and third, new loans in accordance with the needs of growth and the reorganization of the productive structure. To do this, it will also be necessary to ask for the support of the World Bank and the IDB.

In all, the actions implemented since the enforcement of the Austral Plan have allowed us to control the performance of the public and external sectors. Of course, this does not mean we should not continue to work to change this short-term control for a more permanent control compatible with long-term equilibrium.

In the public sector, the recovery of the level of investments and the greater control of expenditures through the restructuring of salaries and employment, together with an improvement in the efficiency of companies, are still to be achieved. The privatization draft law, which is ready and will be signed by the president next week, is a measure aimed at redefining the role of the state. [passage omitted]

We must admit, however, that in the last few months the rate of monetary expansion has accelerated beyond the capacity of the monetary demand to absorb it. This occurred at a time when the mechanisms of rediscount and legal reserves proved to be ineffective to transfer funds from one sector to another. This also became a source of the quasi-fiscal deficit in the Central Bank accounts.

Since March, the monetary policy has become passive with regard to the increase in prices and salaries. Therefore, the present inflationary outbreak has not been influenced by the situation of public finances or of foreign accounts. In fact, the more important factors that affected the inflationary outbreak were the problems concerning food supply and the increase in prices and salaries brought on by the loosening of the freeze policy, the automatic adjustment of the exchange rate, and the implementation of a not-too-stringent monetary policy.

Based on this diagnosis, we can learn several things for future economic policy. As we have said before, the fiscal accounts must be tightened up as a necessary precondition, although an insufficient one, to halt inflation. Of course, we must firmly continue this practive in order to achieve a more permanent balance, but this will not be enough to halt the increase in prices.

In the second place, we must also improve the food supply. Price controls are insufficient to hold down the price of food and family-basket items and, therefore, we have to strengthen the supply side. The food supply today is considerably better than that of the same time last year because severely depressed prices of last year have improved considerably. Despite the fact that it has experienced many great difficulties, the Domestic Trade Secretariat has been able to implement an increasingly effective method of importing food so as to assure a continuous supply during critical months of the year. These emergency imports will be reinforced by providing incentives to local suppliers. In fact, our country should be an important exporter in view of its natural ability to produce food. [passage omitted]

Third, what we have learned from the experience of easing the price freeze is that in an economy poorly integrated with foreign markets, allowing the companies and the labor unions to set product prices and salaries tends to exert strong pressure over the stabilization policy. This is why it is necessary for the state to intervene and regulate prices and salaries, and to prevent excesses.

We will impose these regulations in order to encourage responsible behavior among the different sectors. This is why we have decided to respect the agreements signed in the last few weeks between the labor unions and companies.

Even though we are aware of the high cost of the recent biannual agreements and their adjustment clauses, we are willing to respect them for the sake of the common effort by all Argentines to overcome the current emergency.

It is then foreseeable that in the fourth quarter of the year, nominal monthly salary increases of 3 to 4 percent will be granted with variations in keeping with each particular agreement. Given our official commitment, we believe that it is necessary to insist that the different sectors must not fall back into the formal or informal practice of salaries indexation.

As was observed during 1984 and during the first half of 1985, salary indexation tended only to accelerate inflation, since the rest of the economic factors tended to level off rapidly. As a result, real salaries and production levels dropped. This is why, despite the problems that may appear, it is indispensable to comply with the existing salary agreements instead of correcting them through different adjustment formulas.

Regarding wholesale prices, we have decided to adopt an active policy, modifying the criteria we have followed during the first half of the year. During that time prices were treated passively, left to adjust themselves to the increases of consumer prices and costs. We have now decided that administered industrial prices will be allowed to increase by 3 percent in September and by smaller percentages during the 4th quarter of the year until the rate of increase reaches 2 percent in December.

Identical criteria will be applied to the public companies' tariffs, save for a few cases. Regarding the exchange rate, after a 3 percent adjustment, we will continue with our policy of implementing small and periodic increases in order to maintain our competitiveness on the international market.

Finally, the Central Bank has adopted measures to firmly control the money base. This will slow down the internally generated growth of money supply considerably. Considering the foreseen reduction of the inflation rate, we have decided to reduce regulated bank interest rates on deposits to 4.5 percent monthly and the bank lending interest rates to 6 percent per month. These regulated interest rates will be continually adjusted in keeping with changes within the free financial market. In the context of a restricted monetary expansion, free interest rates should decline as the economic agents gain confidence in the implementation of the announced policies.

These policies are generally aimed at gaining quick control over cost increases and the aggregate demand to give a new and firm impetus to the struggle we are conducting against inflation. The 6.8 percent increase in the consumer price index last July and the greater increases that will probably occur at the end of this month are a warning for everyone. The economic policy decisions we have made are aimed at defending the efforts made and consolidating stability and growth. Our goal is to gradually overcome the emergenices with anti-imflationary measures and at the same time give impetus to the new direction of the economic process.

I have pointed out in this speech that many of the current problems are the result of the poor integration of our economy with the world. Our main link abroad -- the agricultural sector -- is suffering the consequences of the commercial war unleashed in the northern hemisphere. The government has tried to support farmers and will continue to do so, but the government believes it is also necessary to change the nature of our closed economy, because this has negative effects on internal competitiveness and export capacity.

The measures recently implemented by the Foreign Industry and Trade Secretariat are aimed at that necessary change. The industrial exports drive recently approved is the beginning of a structural modernization reform for Argentine industry, and higher productivity, and effective integration with international markets. By stimulating the competitiveness of national production at international prices, we are making a significant contribution toward solving the inflation problem. [passage omitted]

RELATIONS WITH ARGENTINA STRAINED OVER GAS SALES

PY031727 La Paz La Red Panamericana in Spanish 1130 GMT 2 Sep 86

[Text] According to the latest issue of ACTUALIDAD BOLIVIANA CONFIDENTIAL, which is directed by Hugo Gonzalez Rioja, the traditionally good Bolivian-Argentine relations are about to break, and this would have a negative impact on our country.

This magazine notes the negotiations on the new price of Bolivian gas sold to Argentina must start in November, and that Argentina plans to lower the present price -- which is based on political reasoning -- from $3.70 per barrel to $2.20 per barrel. In view of this, Bolivia will lose about $100 million.

The situation has been brought about because the Bolivian Government authorities have not yet made a decision on the application of the present Argentina payment -- which totals $200 million --- for the purchase of Argentina merchandise and for Argentine projects in Bolivia. Thus far, Bolivia has received $130 million in cash.

The two countries reportedly are experiencing tense relations because the Argentine ambassador to Bolivia, Gaspar Tanoada, has departed Bolivia without previously holding talks with the government in view of the apathy shown by the Bolivian ministers in charge of the sector. It is taken for granted that the Argentine ambassador will return in view of the recent statement by the Bolivian finance minister, who reportedly said Bolivia will not open any letters of credit so as not to increase its foreign debt.

It the problem of Argentine exports is not solved, the Argentine Government will undertake legal proceedings to nullify the gas agreements.

COURT ORDERS RELEASE OF COCHABAMBA RECTOR

PY040202 La Paz La Red Panamericana in Spanish 0000 GMT 4 Sep 86

[Excerpt] At the request of the executive board of the Bolivian University, the Cochabamba District Court has granted a writ of habeas corpus in favor of Jorge Trigo, rector of the Greater University of San Simon. Upon granting the writ of habeas corpus, the court has ordered that rector Trigo be released immediately. [passage omitted]

NAVY CARRIES OUT OWN NUCLEAR RESEARCH PROGRAM

PY270316 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Aug 86 p 4

[Text] The Brazilian Armed Forces are carrying out a nuclear research program which parallels the government program, based on a 1975 agreement with the FRG. By 1994, the Brazilian Navy expects to test the prototype of a small nuclear reactor called "critical reactor" [reator critico], which will serve as a model for a "compact reactor" that will be the propelling unit of the first Brazilian nuclear submarine. This submarine is expected to be built by the second half of the 1990's.

Part of the machinery to build and operate this test reactor is being designed in the Nuclear Engineering Institute [IEN], linked to the National Commission for Nuclear Energy [NEN], and located on the campus of the Rio de Janeiro Federal University [UFR] on Fundao Island, north of Rio de Janeiro. The IEN is cooperating with the so-called "instrumentation stage" of the project. The hull of the first Brazilian nuclear submarine is being studied by the Navy and the Nuclebras heavy equipment corporation, [NUCLEP], a Nuclebras subsidiary in charge of the design and building of the heavy components of the Brazilian nuclear reactors.

The Brazilian Aeronautics Ministry is also studying the possibility of building a more sophisticated reactor known as a "fast breeder" [in English] or a "regenerator reactor" [reator regenerador], which continues working after consuming its initial fuel. The Aeronautics Ministry projects are being developed at the Advanced Studies Institute [IEAV] of the Aerospace Technology Center [CTA] in Sao Jose dos Campos [97 km northwest of Sao Paulo]. The Navy projects are being developed at the Institute for Nuclear and Energy Reserach [IPEN], also linked to the CNEN, and at the IEN.

Both the Navy and Aeronautics Ministers are carrying out research to enrich uranium--that is, to separate uranium isotopes, U-235 and U-238, (number of protons ad neutrons of the atomic nucleus) to produce plutonium--which is a necessary element for nuclear fission. The Navy and the Aeronautics Ministers concentrated on the uranium-enrichment process through the use of laser beams, which "excite" and modify the original structure of natural uranium. A nuclear engineer, who served on the commission created by President Sarney to re-evaluate the Brazilian nuclear program, became familiar with the uranium-enrichment research carried out at the IEAV by the Brazilian Air Force [FAB].

FOLHA DE SAO PAULO also learned that the FAB is working on plans for a linear accelerator of particles [acelerador linear de particulas] to establish measures for nuclear parameters. For at least 5 years, all this research has been headed by Brigadier General Hugo de Oliveira Piva, former IEAV director. Meanwhile, the nuclear research of the Army Technological Center [CETEX], is considerably behind schedule.

The test reactor developed by the Navy is the result of 4 years of research which began after a team from the Navy Research Center (formerly the Navy Research Institute, which works on Governador Island in Rio De Janeiro) went to work at the Nuclear Research Institute. The project has already been approved by the CNEN, and the security of all the works to develop the propelling system of the first Brazilian nuclear submarine is bring supervised by the Naval Intelligence Center [Cenimar], headquartered in Brasilia.

The reactor -- which is actually a prototype -- must be tested on land in 8 years. It will serve as a model for the so-called "compact reactor," the size of which will depend on the size of the nuclear submarine. Initial calculations estimate that the submarine will be 70 meters long and will deplace 2,500 tons of water at surface and 2,700 tons underwater. It will be a small-sized nuclear submarine, comparable to the smallest in its category built in France.

It is thought that the "compact reactor" will be aided by diesel motors or gas turbines, like the system used by the same sort of vessels in the French and Soviet Navies. The so-called conventional motors give the nuclear submarine's crew a greater degree of safety, mainly during submersion and if there is a problem with the reactor.

The Navy intends to design its nuclear submarine based on the building experience of a conventional German submarine: the IKL-209-1400. The first of these ships is being built in the FRG, and its construction is being followed by a group of Brazilian Naval engineers. Three other units will be produced in the Rio de Janeiro Navy shipyard.

FOLHA DE SAO PAULO found out the Brazilian Navy is not satisfied with the German IKL construction because it is not respecting the construction technology of the IKL-209-1400, to the extent expected by the former government Naval authorities, who signed the contract with the Germans. This observation was raised to the FRG Defense Minister Manfred Worner, (an airplane pilot) who visited Rio de Janeiro, Brasilia, and Sao Paulo about 3 months ago, but no positive results were obtained. Worner maintained that his government could not intervene in a contract between Brazil and a private German company.

The IKL-209-1400 was chosen after the Navy examined with great interest the Italian submarine "Nazario Sauro," which is heavier than the German model. Besides, the Italians refused to transfer their vessel's building technology to the extent the Brazilians desired.

The Brazilian nuclear submarine will carry completely conventional and reduced weaponry: only six torpedo tubes (instead of the usual eight on a conventional submarine). Its speed will reach between 25 and 30 knots, according to the same initial calculations.

The building of a nuclear submarine will lead Brazil to other types of research. For example, the type of steel to be used in the IKL-209-1400 will be HY-80 steel (a special type of steel for the hull designed to resist great pressure underwater). Certainly, Brazil will be ready to begin construction on a nuclear submarine by the end of the next decade.

The nuclear researchers of the Brazilian Armed Forces together with the scientific institutions constitute a nuclear program parallel to the one defined 11 years ago when Brazil and the FRG signed the so-called nuclear agreement. A FAB colonel who works in this field and who was consulted by FOLHA DE SAO PAULO, preferred to call the program the "national nuclear program."

The commission created last September by President Sarney to re-evaluate the Brazilian nuclear program, did not bother to investigate whether or not the Armed Forces could be researching nuclear technology to apply to its war machines. What is more, the Brazilian Society of Physics does not believe the Navy nor Aeronautics ministries may already possess qualified teams of experts to design sophisticated reactors, such as the "fast breeder" type.

FOLHA DE SAO PAULO also found out that CTA experts are researching on the use of thorium, which is a mineral found widely in Brazil and India, as fuel for a future nuclear reactor.

BRIEFS

PARAGUAYAN AMBASSADOR PRESENTS CREDENTIALS -- Salvador Ruben Paredes, the newly appointed Paraguayan Ambassador to Brazil, on 19 August presented his credentials to President Jose Sarney. [Summary] [Brasilia Domestic Service in Portuguese 2200 GMT 19 Aug 86 PY]

NEW SUNAB REGIONAL DELEGATE -- Finance Minister Dilson Funaro yesterday appointed Marilena Lazzarini as the new Sao Paulo regional delegate to the National Superintendency of Supplies [SUNAB]. She will replace Abilio Nogueira Duarte, who has been dismissed for irregularities in the administration of the regional SUNAB department. [Summary] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Aug 86 PY]

TRADE BALANCE SURPLUS -- The Foreign Trade Department [CACEX] reported yesterday that there was a surplus of $1.13 billion in the Brazilian trade balance during the month of July. Exports totaled $2.209 billion and imports $1.196 billion. The CACEX also reported that Brazil had a surplus of $7.166 billion in international purchases and sales during the first 7 months of 1986, and that the surplus over the last 12 months was $12.971 billion. [Excerpts] [Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 15 Aug 86 PY]

CUBAN CARDIOLOGISTS VISIT -- The Cuban Health Ministry, which is interested in exchanging information on cardiovascular and heart surgery, as well as in purchasing medical equipment for that sector, has sent two surgeons to the Sao Paulo Heart Institute. They are Noel Gonzales Jimenez, 57, who has performed 12 heart transplants in Cuba, and Andres Savio, an expert in children's heart surgery. They will spend 2 weeks in Sao Paulo, and 4 days in Rio, where they will visit the hospital of the Rio de Janeiro Federal University. [Summary] [Sao Paulo FOLHA DE SAO PAULO IN Portuguese 19 Aug 86 p 13 PY]

POLICE BUILDUP, OPPOSITION SUPPORT BEFORE STRIKE

PY021725 Paris AFP in Spanish 1229 GMT 2 Sep 86

[Text] Santiago, 2 Sep (AFP) -- Two days before the national stoppage called by political sectors opposed to the government of General Augusto Pinochet, a strong police and military vigilance can be observed on the main streets and strategic places of Santiago.

Graffiti and pamphlets call on Chileans to join demonstrations scheduled for next Thursday -- 4 September -- by the many unions and students grouped within the National Civic Assembly [ANC] whose leaders were released from jail 2 weeks ago.

The opposition leaders were arrested by order of the military government for their responsibility in a stoppage on 2 and 3 July, which caused the deaths of eight persons.

ANC President Juan Luis Gonzalez explained that the stoppage on Thursday will mark aday of meditation. He said that according to the call, each organization will adopt its own decisions for that day, and added that the spirit of peace, which has characterized the real democratic behavior, will prevail.

The stoppage was initially proposed by the leftist MDP "(Popular Democratic Movement] which represents the proscribed Communist Party, a socialist sector, and the MIR [Movement of the Revolutionary Left], with support from the clandestine movement FPMR [Manuel Rodriguez Patriotic Front] which promotes all forms of struggle.

On Friday, 29 August, the Chrestina Democratic Party -- the main force opposed to the government of Gen Pinochet -- joined the call for a stoppage and invited its members to participate in a national stoppage as part of the peaceful actions to demand the reestablishment of democracy.

Carabineros Director General Rodolfo Stange, who is also a member of the Goverment Junta, has warned the police will take necessary measures to safeguard public order and the tranquility of the citizens. He added: We will take the necessary precautions to prevent violations of citizens' rights by the mistaken intentions of some hotheaded people.

On Thursday, 28 August, the Organization of Women for Life -- which includes different women's movements -- also joined the national stoppage and proposed that a day of decontamination be celebrated on that day throughout Chile.

In Chile, 4 September had been the day when the people traditionally elected the president of the Republic every 6 years until Gen Pinochet overthrew the socialist regime of the late President Salvador Allende.

The national day of stoppage proposed by the opposition will be held almost 1 month after the government announced the discovery of a large arsenal with more than 50 tons of weapons with an estimated value of about $100 million.

According to the government report, the weapons were brought ashore by Cuban and Soviet fishing boats and were earmarked for subversive groups that promote armed struggle against the military regime.

The situation has disclosed some doubts about the authenticity of the discovery.

The national opposition stoppage will precede the great rally of adherence and support for Gen Pinochet that will be held on Tuesday, 9 September, at the monument to the fatherland, in downtown Santiago, to commemorate the military regime's 13 years in power. This rally is being publicized with full-page advertisements in the country's newspapers and on Chilean television and radio stations.

In this regard, ANC President Juan Luis Gonzalez announced that the ANC will hold a public rally on 25 September in the same place and under the same conditions granted to the followers of Gen Pinochet. He said that this decision has been adopted because the conditions set forth in the Chile Demands document have not been met, and because the process of democratic recovery cannot be delayed. He said the rally will be held in the same place to compare the support of those who want democracy and those who prefer the current regime. Gonzalez added that he had no doubt that the authorization for this rally will be granted.

PDC Denies Supporting Stoppage

PY032241 Paris AFP in Spanish 2012 GMT 3 Sep 86

[Text] Santiago, 3 Sep (AFP) -- The Christian Democratic Party [PDC], the main opposition party against the government of General Augusto Pinochet, today denied that it supports the 4 September national stoppage called by leftist forces.

In an official statement, the PDC leaders said the leaflets which were attributed to the PDC and appeared recently in Santiago urging the people to join the general stoppage are false. Those leaflets were not released by the PDC, the statement says.

The new PDC statement seems to reflect a change regarding the position adopted on 29 August, when the PDC national council called on all opposition groups to join the 4 September demonstrations by discontinuing their regular activities.

The national stoppage was called by the leftist groups which make up the Popular Democratic Movement (MDP). Yet this call was not endorsed by the National Civic Assembly, which plans to hold a drive for democracy on 4 September.

Leaflets Encourage Protest

PY031538 Madrid EFE in Spanish 0305 GMT 3 Sep 86

[Text] The Christian Democratic Party [PDC] today reported it has received information that "the government and the extreme left are reportedly preparing acts of violence to justify their respective strategies."

The PDC has issued this warning just as leaflets are being distributed in Santiago calling upon Chileans to participate in acts of protest and disobedience on 4 September. On that day Chileans will commemorate the day on which, every 6 years, they used to vote to elect the president of the republic, a situation that changed in 1973 with the military coup that brought General Augusto Pinochet to power.

The leaflets urge Chileans not to send their children to school, not to carry out any banking activities, but to demonstrate on the streets at 1200, and to return to their homes at 1400 on that day.

In their public statement, the Christian Democrats say that a climate "of fear and violence has paralyzed the country, while the overwhelming majority of the Chileans are against violence."

Assessing the situation in the country the day before the announced Day For Democracy on 4 September, the Chilean PDC condemns what it calls the violence "of the government" and of the "extreme left." It states: "The regime maintains its abusive legislation, increases its aggressive attitude and its attacks on political parties, individuals, and even the church. This violence has caused many deaths, and the murderers remain unpunished."

No Relay of 'Instructions'

PY040445 Buenos Aires TELAM in Spanish 0359 GMT 4 Sep 86

[Excerpt] Santiago, 3 Sep (TELAM-ANSA) -- The Chilean radio stations that are well-known for maintaining an attitude of independence or opposition toward the Chilean military government have been warned they cannot broadcast any instructions concerning the Drive for Democracy that the political opposition has called for tomorrow. The radio stations were reminded that the regulations prohibiting the dissemination of information about unauthorized rallies and meetings like the ones scheduled for tomorrow, are still in effect. [passage omitted]

FPMR INTERRUPTS RADIO BROADCAST, READS STATEMENT

PY040121 Paris AFP in Spanish 0101 GMT 4 Sep 86

[Text] Santiago, 3 Sep (AFPO) -- Unknown individuals tonight interrupted the broadcast of Radio Carrera in Santiago for 55 seconds and broadcast a proclamation against General Augusto Pinochet's regime. The incident took place just a few hours before a nationwide strike called by the opposition.

The persons in question claimed to belong to the clandestine Manuel Rodriguez Patriotic Front (FPMR) and urged the people to join tomorrow's drive, according to Radio Carrera personnel who were unable to prevent the proclamation from being aired.

A vehicle which at a given time parked near the transmitter of the radio station and with a powerful transmitter and a long-range antenna interrupted Radio Carrera's normal programming. The proclamation which ended with the national anthem was aired for 55 seconds until the technicians of the radio station managed to control the situation.

The left-wing FPMR is advocating rebellion against General Pinochet's military government and has claimed credit for other proclamations that have been aired by interrupting the broadcasts of other stations.

140 STUDENTS ARRESTED IN SANTIAGO, VALPARAISO

PY040301 Paris AFP in Spanish 0202 GMT 4 Sep 86

[Text] Santiago, 3 Sep (AFP) -- Approximately 140 university students were arrested today by Carabineros during antigovernment demonstrations staged in Santiago and Valparaiso a few hours before the beginning of a national stoppage called by the opposition to General Augusto Pinochet's military government.

According to student sources, the most serious incidents occurred at the Playa Ancha University in Valparaiso, 140 km west of Santiago, where 90 youths were arrested by policemen after violent clashes.

Using tear gas, truncheons, and water cannons, the police dispersed the students, who retaliated by throwing stones and other objects.

Another group of students occupied the Van Buren Hospital but left when police forces arrived. No one was arrested.

Students from the Catholic University of Valparaiso said six fellow students were detained when they were erecting barricades, painting graffiti on walls, and detouring traffic. Carabineros dispersed the demonstration with water cannons and tear gas.

Policemen also entered the Metropolitan University and arrested 38 students after hurling many tear gas canisters at them, according to the students. Andrea Palma, chairwoman of the student council, said the police stormed the university when the students were putting on a cultural event inside the school. Later, we staged a march around the area, but we were attacked by the police, Palma said.

According to AFP correspondents, the students erected barricades, made fires, and blocked traffic on one of the main avenues of the Chilean capital.

Six students were also arrested at the Northern Medical School of the University of Chile as they shouted antigovernment slogans.

Carabineros Director Rodolfo Stange, a member of the Government Junta, has warned that the Chilean Police will take every measure needed to safeguard public order and tranquillity during the stoppage. Stange added: We will be prepared to protect the rights of citizens who may be affected by the mistaken intentions of some misguided people.

SOCIAL-DEMOCRAT PROCLAIMS PRESIDENTIAL PLANS

PY031931 Paris AFP in Spanish 1410 GMT 2 Sep 86

[Text] La Paz, 2 Sep (AFP) -- Chilean Social Democratic Party [PSD] leader Mario Osses Quiroz, formerly an adviser to President Salvador Allende -- in comments to AFP today in La Paz -- announced his candidacy for the Chilean presidency.

Osses, who lived in exile for several years in Brazil and now is in Bolivia, said he will officially launch his candidacy as soon as the Chilean people manage to resume the democratic process interrupted by the 1973 coup staged by General Augusto Pinochet.

He pointed out that the political sectors supporting him are economic and ideologically independent of the great world powers. He also said his candidacy represents a move toward a common agreement in search of positive action.

Osses described Christian Democratic leader Gabriel Valdez' position of reportedly agreeing that another general could succeed Pinochet with the pretext that the country needs a transition as unacceptable, because it would consent to the continuation of the military regime.

FORMER EXILED DOCTOR RELEASED ON BAIL

PY040204 Santiago Radio Chilena in Spanish 2300 GMT 3 Sep 86

[Relay from Radio Talcahuano of Talcahuano]

[Excerpts] Attorneys in Concepcion have described the release on bail granted today to Edgardo Condeza Vaccaro by the First Appellate Court as a major step toward ending exile. [passage omitted]

Dr Condeza regained his freedom at approximately 1430 today and is now staying in his residence under the protection of the court. [passage omitted]

The case of Dr Condeza aroused interest nationwide 3 months ago when he returned from exile in Argentina through a mountain pass in Malleco Province and turned himself in to the Appellate Court. [passage omitted]

ARMY LAUNCHES MASSIVE ANTIGUERRILLA OFFENSIVE

PA290221 Hamburg DPA in Spanish 2257 GMT 28 Aug 86

[Text] Bogota, 28 Aug (DPA) -- Yesterday, the Army launched the most impressive military offensive of the last few years. About 10,000 men are participating, in order to repel guerrilla actions all over the country, but mainly in Cauca, Valle, and Norte de Santander Departments, where 103 people have died in the last few days, among whom were subversive elements, police, and military men.

Furthermore, Army Commander in Chief General Oscar Botero admitted today that logical way to stop the present violence in the country would be a "military-political solution." The antiguerrilla campaign was agreed upon after a series of meetings of the military high command, the military intelligence board, the special operations command, and the logistical support section of the National Defense Ministry, in which the guerrilla upsurge was discussed in depth.

The main military concern is the reactiveation of subversion in the southeastern Caula Department, where the greast block of guerrilla groups are, including the pro-Indian commando "Quintin Lame," the M-19, the Army of National Lberation, the Popular Liberation Army, the "Free Fatherland" movement, the Revolutionary Workers Party, and the "Ricardo Franco Front."

On Tuesday, Army Commander in Chief Gen Oscar Botero met with the Army chiefs to come up with a military strategy in Cauca and Valle Departments, where it was decided that the operation would be backed by troops transported by air and war commandos (paratroopers assault units, assault groups, etc.)

A spokesman for the Armed Forces told the DPA German press agency today that in the future it is possible that the Army will send heads of administrative departments to open war zones in order to give support to the brigade commanders and the divisions that operate throughout the country.

Military strategy calls for blockading the different roads of Cauca, Valle, and Huila Departments to prevent the guerrillas from resupplying people and war equipment in an effort to counter the military offensive. "Red zones" were designed, which forbid private aircroft from overflying military objectives lower than 2,000 feet, as gound units are being supported at present by air-transported commandos from the Tolemaida and Apiay military bases.

PARAMILITARY GROUP BLAMED FOR UP SENATOR'S DEATH

PA030447 Paris AFP in Spanish 031 GMT 3 Sep 86

[Text] Bogota, 2 Sep (AFP) -- A self-styled paramilitary group "The Stings" [Los Aguijones] was held responsible for the murder of Communist Senator Pedro Nel Jimenez, of the Patriotic Union [UP], which took place yesterday in Villavicencio, 120 km southeast of Bogota.

The senator's father said tonight that his son had been threatened 20 days ago by a clandestine organization called "The Stings," which opeates in southeastern Meta Province, because he was prepared to denounce several people for mismanaging huge amounts of public funds.

Humberto Oviedo, the victim's delegate in the legislative body, corroborated the remarks by the father of Jimenez. He said that the group was of a paramilitary nature. Oviedo said that The Stings killed Jimenez because he was defending several political prisoners and knew the names of people linked to mismanagement of government funds.

Moreover, UP deputies, who blame paramilitary groups for crimes against 14 of its members, summoned the ministers of government and justice and the attorney general to appear before the Chamber of Representatives on 16 September. The debate will center on the activities by these groups and the so-called dirty war which the attorney general has insistently denounced.

'Red Berets' on Posada Murder

PA040223 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 3 Sep 86

[Text] Bucaramanga -- A strange group, the self-styled Red Berts, today claimed responsibility for the murder of Leonardo Posada, Patriotic Unity [UP] representative. Posada was killed in Barrancabermeja. In a telephone call to this radio station's office in Bucaramanga, the group also threatened these UP political leaders in Santander: Hernan Motta, delegate to the chamber of representatives; Carlos Rodriguez Geli, deputy; Agustin Figueroa, municipal councilman, and union leader Rodrigo Cordoba. They were also given an 8-day deadline to leave Bucaramanga and Santander.

Authorities report they have never before heard of this group.

Judges To Investigate

PA022303 Bogota Emisoras Caracol Network in Spanish 1215 GMT 2 Sep 86

[Report by Carlos Ruiz]

[Text] Patriotic Union [UP] leaders and the government will agree today on the creation of a special jury of civilian judges that will investigate the killing of UP party members.

Justice Minister Eduardo Suescun Monroy will meet with former candidate and UP coordinator Jaime Pardo Leal, with President Barco's approval, to agree on terms of reference for the special judges. Mr Pardo Leal said that all human and material state resources will be made available for clearing up the murders of the UP leaders.

According to Suesun Monroy, President Barco ratified the decisions adopted at the last session of the National Security Council directed at fully clarifying the facts, and offered all he could for the protection of the political activities of the UP.

The government will give full support, aid, and guarantees to the special criminal instruction judgers who will assume the investigations to find and punish, in an exemplary manner, those responsible, said Minister Cepeda Ulloa.

The UP leaders, in addition to requesting the special judicial tribunal, reiterated that they will need safe-conduct passes for their leaders to carry arms for their personal protection.

The political leaders said that they found President Barco in a very receptive mood, which will permit them to trust that he will adopt concrete measures to put an end to the criminal escalation against the UP.

FARC and the UP said that they will not be carried away by those who want them to respond with violence and promised to keep the truce with the government, although they started preparing for a national civic strike -- of a peaceful nature, according to them -- to protest the violence.

FARC and UP leaders maintain that the crimes against their political spokesmen are part of a campaign that seeks a bloodbath in the country. UP President Braulio Herrara said that these acts seek a desperate FARC reaction. Herrara said we are not going to give up the peace flag, but it is necessary that Colombians mobilize themselves, facing the country's enemies peacefully.

FARC ideologist Jacobo Arenas said from La Uribe camp that that organization had no reason to break the truce, and warned that now it was necessary for Colombians who want peace to act decisively to detain those who want to whip up a great carnage in the country. Arenas described as bandits, small murderes, and provocateurs the killers of the two UP parliamentarians.

Cayetardo Leal and Gilberto Vieira, who are part of UP'S leadership, said that they will also continue the political struggle as they are not afraid that their enemies will carry out their sinister plans against them.

According to Suescun Monroy, President Barco thanked the UP leaders for their commitments to political, economic, and social changes, as well as for their reconciliation efforts that the new administration is going to put into effect.

FARC LEADER PRAISES NEW DEFENSE MINISTER

PA311308 Madrid EFE in Spanish 0245 GMT 31 Aug 86

[Text] Bucaramanga (Colombia), 30 Aug (EFE) -- Ricardo Medina, alias "Camilo," commander of the 20th FARC Front, has described the new defense minister, General Rafael Samudio Molina, by saying that "a substantial" and positive "change" has taken place in that ministry.

At a news conference held in the mountains of Santander Department, in the northeast, "Camilo" praised the new minister, a former Army general commander. "A new stage" is now opening "because the defense minister's personal attributes and military background indicate that things will be different," "Camilo" told a group of newsmen.

The guerrilla leader was pleased that Samudio Molina met with the leaders of the Patriotic Union (UP), FARC'S political party, which in the last elections won several seats in the national congress as well as in a number of departmental assemblies and municipal councils.

According to the commander of the 20th FARC Front, "the peace process begun during Belisario Betancur's previous administration will be consolidated" with the new defense minister.

He also criticized the performance of the previous defense minister, former General Miguel Vega Uribe. "Vega Uribe never agreed with Betancur's peace policies," the rebel chief said.

At the same clandestine meeting with the press, "Camilo" called for the support of "all my countrymen so that the blood of peasant guerrilla members and peasant military men does not continue being shed in our homeland."

In conclusion, he asked the organizations that comprise the National Guerrila Coordinating Board (CNG) "to cease their war effort and join the efforts to achieve peace."

The CNG is a rebel alliance comprised among others by the M-19, the Popular Liberation Army (EPL), the Army of National Liberation (ELN), the Indian Quintin Lame Group, and other organizations currently fighting in various parts the country.

BRIEFS

AMBASSADOR TO VENEZUELA -- Liberal parliament member Eduardo Mestre Sarmiento has been appointed Colombian ambassador to Venezuela, it was reported today in Bogota. Mestre was mentioned as one of the most likely men to be appointed to President Virgilio Barco Vargas' cabinet, but the designation did not take place. The lawmaker was one of the coordinators of the campaign that took Barco to the presidency. [Text] [Hamburg DPA in Spanish 1807 GMT 29 Aug 86 PA]

AVIANCA DRUG OFFICER KILLED -- Carlos Arturo Luna Rojas, Avianca's cargo superintendent, was killed in a Bogota street at 1700 this afternoon. He was in charge of the control and fight againt drug trafficking. He also in charge of flower shipments for Avianca. [Summary] [Bogota Television Service in Spanish 0000 GMT 23 Sep 86 PA]

FERNANDEZ 'SAD' ABOUT REPORTS ON STROESSNER

PY031725 Asuncion Cerro Cora Sistema Nacional Television in Spanish 1600 GMT 3 Sep 86

[Report on President Alfredo Stroessner's official morning activities at Government House on 3 September by Government House correspondent Miguel Angel Rodriguez from the Channel 9 studios -- live]

[Text] Good afternoon. President Alfredo Stroessner this morning met for a few minutes with a delegation of ROC businessmen visiting our country. The delegation, which is led by Augustine C.T. Wu, director general of the ROC's Economy Ministry, also included Captain General Cheng Wang, ROC ambassador to Paraguay.

The delegation's spokesman gave President Stroessner a personal present from ROC President Chiang Ching-kuo and a present from the delegation with affection and sympathy for the president, who outlined the most important aspects of the long friendship existing between the two countries that is based on a fluid relationship.

The president also granted audiences to Ambassador Juan Felix Morales; Engineer Enzo Debernardi, president of ANDE [National Power Administration] and Paraguayan Director General of the Itaipu Binational Enterprise; General Alcibiades Britez Borges, chief of police; and Mr Emilio Forestieri.

During the morning, Anibal Fernandez, the president's information and culture under secretary, told our newscast that he was very sad about the spiteful and absurd report by a certain sector of the international media that disseminated a report originating in Miami on an alleged illness and even the death of President Stroessner. Fernandez added that it is not worthwhile to deny such spiteful information.

This is all we have to report today from Government House.

[Asuncion Red Privada de Television in Spanish at 1600 GMT on 3 September, during its daily noon newscast, reported from Government House on the activities of President Alfredo Stroessner. A film clip shows Channels 13's Government House correspondent in the gardens in front of Government House reading his report of the president's activities. The clip also contains a shot showing President Stroessner in his office talking with a ROC businessmen's delegation. The clip concludes with a shot of the correspondent finishing his report. The report on the alleged death of President Stroessner was not mentioned during this newscast.]

PLR Head Meets With Stroessner

PY032356 Asuncion ULTIMA HORA in Spanish 3 Sep 86 p 11

[Text] "I first want to say that the meeting with the nation's president was held at the request of the Radical Liberal Party (PLR), which participates in Congress and city councils. Out of concern for the future of the country, I talked with the president and I think that we had an excellent conversation, since we both are Paraguayans, nationalists, and want progress for the country. Of course, I will report this conversation to my party's political committee, which will later issue a communique on this important meeting for the country's present and future."

This statement was made this morning by the head of the PLR, Emilio Forestieri, after a meeting he held with General Alfredo Stroessner. Although Forestieri did not want to reveal details of the meeting, most likely they talked about the return of Domingo Laino.

As for any proposal that the PLR had presented to the government, Forestieri said: "I did not make any proposal. The party availed itself of a constitutional provision. We came to make a petition to the president in our capacity as head of a party that participated in the functions of government, in the legislative branch, and on the city councils where the party holds elected positions. We believe politics must be conducted through dialogue and dissent among civilized people. We believe that since 1967, the PLR has worked patriotically to build a more just society through a democratic process. This political process began with the Constituent Assembly in 1967, and we have been committed to the country's future since then."

When asked about the existence of any difficulty affecting Liberalism, Forestieri interrupted to say: "We will issue a communique later to give explanations. It has to be understood that dialogue will be the way to conduct the country's affairs as civilized people, who love their country, peace and democracy. I have nothing else to say. I will say what I have to say after I talk with the political committee of the PLR, which I will convene tonight. Then, a communique will be released."

[No PLR leader has met with Stroessner since 1976 when he and then president of the PLR, Carlos Alberto Gonzalez, met.]

ARCHBISHOP REVEALS ANTICHURCH CAMPAIGN

PY302239 Paris AFP in Spanish 2313 GMT 29 Aug 86

[Text] Asuncion, 29 Aug (AFP) -- Asuncion Archbishop Ismael Rolon today reasserted the legitimacy of the church's position in promoting and defending the truth, justice, and human rights in Paraguay -- in view of campaign -- sponsored by high government circles, to discredit him.

In a message addressed to the religious community, Msgr Rolon, who is also president of the Paraguayan Episcopal Conference [CEP], pointed out the persistent attacks and charges made against the bishops and priests who were called enemies of the government. In reply to the lies against the church, Msgr Ismael Rolon reiterated that the church leaders carry out their activities truthfully and honestly.

He argued that the church is not meddling in politics, when denouncing human rights violations, and he based his opinions on Pope John Paul II's statements.

Msgr Rolon recommended that all Catholics quote the statements of the Pope to explain and justify the church's intervention in the human problems of individuals, institutions, and peoples. At their roots, these problems are really problems of morales, justice, and truth, things which affect eternal salvation, and that the church must defend and promote throughout the world.

BRIEFS

RELIGIOUS GROUP BUYS RADIO -- The religious group Tents of Salvation has purchased Radio Neuvo Mundo of San Lorenzo, which is now under the license of an engineer named Acevedo who has travelled to the United States to buy more radio equipment. [Summary] [Asuncion LA TARDE in Spanish 9 Aug 86 p 16 PY]

NEW FREQUENCY MODULATION STATION -- The government has granted Nelso Ramon Castro authorization to install a frequency modulation radio station in Fernando de la Mora. [Summary] [Asuncion PATRIA in Spanish 12 Aug 86 p 8 PY]

FISHING AGREEMENT WITH USSR EXTENDED BY 3 YEARS

PY031658 Lima Panamericana Telvision Network in Spanish 0315 GMT 3 Sep 86

[Text] Minister of Fisheries Ajvier Labarthe Correa has reported that the fishing agreement between Peru and the Soviet Union will be extended for another 3-year period. The minister explained that the previous agreement with the USSR will expire this coming Thursday, 4 September.

[Begin Labarthe recording] I sincerely want to say that despite all criticism, this is a very special agreement, because Peru does not (?lose) anything, and the Soviets must fish outside the 200-mile limit. That is to say, they are fully complying with international law, and they are legally authorized to fish without need of any agreement. They could have reached an agreement with any other country for repairs and supply of their ships. Thus, we have nothing to lose from this agreement.

Of course, if fishing activities are carried out very near the 200-mile limit -- and if these activities reach important levels -- then the situation would be different. For this reason, we are now demanding full details, because if fishing activities exceed certain levels they could endanger the maritime species. If this were the case, we would have to sever the agreement. But there are no grounds for any severance yet. We will receive information and everything will be well established as to where they will be fishing. Now -- from the moment they enter the port of Callao until the time they leave port -- if they put down their net to catch some fish, we cannot say that [words indistinct] [end recording].

POLICE RAID LIMA SHANTYTOWNS ARREST 300

PY292329 Paris AFP in Spanish 1858 GMT 29 Aug 86

[Text] Lima, 29 Aug (AFP) -- Peruvian authorities reported today in Lima that 300 people were arrested in an operation by the forces of order in the Huaycan and Horacio Zevallos shantytowns, 17 km southeast of Lima, to dismantle terrorist cells allegedly promoting subversive escalation.

According to police sources, the raid was ordered because of the appearance of many subversive pamphlets that called on the people of the area -- about 5,000 -- to join the Guerrilla People's Army, and praised the armed struggle against the regime. The police raid was carried out yesterday and 300 people were arrested because they either lacked identification or were suspected of being members of terrorist cells.

Meanwhile, a guerrilla column dynamited the Nuevo Dorado mine in Santiago de Chuco, La Libertad Province, causing serious damage. The police reported that subversive groups reappeared in this province 4 days ago killing seven persons, among them a mother and her three children. Fifty antisubversive policemen were sent yesterday from Cusco to the high regions of Canas Province, where subversive groups that incite peasants to join the armed struggle have appeared, according to Cusco Prefect Julio Jara.

Peruvian Cardinal Juan Landazuri said yesterday the state of emergency in Lima and 23 provinces throughout the country should be lifted. He said there must be freedom during the campaign for the next municipal elections scheduled for November.

SEPULVEDA INTERVIEWED ON FOREIGN POLICY

PA021951 Mexico City XEW Television Network in Spanish 1619 GMT 1 Sep 86

[Interview given by Foreign Secretary Bernardo Sepulveda at the Congress in Mexico City; reporter not identified -- live]

[Text] [Reporter] Mr Foreign Secretary, how would you characterize our foreign policy at this time?

[Sepulveda] In my view, this past year has been especially rich in international activities. There was the Ixtapa meeting in August which gathered together six heads of state and government. They issued a very clear and precise statement in favor of peace and disarmament. There were also the meetings that President De la Madrid held with President Reagan in January in Mexicali and in August in Washington. Very favorable results were also obtained from those meetings. Overall, not only this year's events but those throughout the past 4 years of government represent a reaffirmation of the our sovereign, independent, and autonomous foreign policy.

[Reporter] Regarding the Ixtapa meeting, did it bring about some concrete results?

[Sepulveda] Well, I think that there are important results which concern the so-called moratorium on nuclear tests. On one hand, the Soviet Government announced that it will extend its nuclear test moratorium, and on the other, the U.S. Congress has adopted a resolution imposing limits on nuclear tests. We believe this is a significant advance, an effort in the right direction by the Group of Six.

[Reporter] Turning to another topic, would you discuss the Contadora situation? Many things are being said about Contadora.

[Sepulveda] Well, Contadora has been an extraordinary effort to bring peace and security to Central America. I would stress the essential political work which the Contadora Group has conducted, and the way it was able to present to the five Central American countries a draft treaty on peace and security to bring a system of cooperation to the Central American region. The fundamental responsibility now lies with the Central American government themselves; in other words, they are the ones that must decide what type of region they want, whether they want a region with peace and security, or if they want to be involved in a conflict that will have very grave consequences for them and for the countries near the region.

[Reporter] Sir, did relations with the United States suffer following the case of the man, the alleged customs agent, who, as you know, was arrrested after being caught with weapons in his car -- which apparently had false license plates -- and who was being aided by some wanted criminals? Has this harmed our relations? On Friday, THE WASHINTON POST carried an item on this stating that certain things are not clear.

[Sepulveda] We must learn to establish a definition as to what a political relationship is -- like the one practiced by President De la Madrid in his ties with the United States, with the U.S. Government, and with President Reagan, as exemplified in the meeting the two held on 13 August. Not only does President De la Madrid possess unquestionable political and diplomatic competence, but a genuine capacity for political interlocution with the U.S. Government. Traditionally, we Mexicans have skillfully, intelligently, and imaginatively demonstrated that we have real competence to establish a political dialogue with the United States.

There is an aspect that deals with police matters. Unfortunately, incidents arise and there are times when these incidents are condemnable. Because these are circumstantial and accidental matters, they can tarnish the overall, political relationship we have with the U.S. Government. This relationship should be based on a system of cooperation and mutual respect.

[Reporter] Will the understanding in U.S. - Mexico relations continue?

[Sepulveda] The political understanding and the capacity for political dialogue will continue.

FINANCE SECRETARY COMMENTS ON FOREIGN DEBT

FL012353 Mexico City NOTIMEX in Spanish 2032 GMT 1 Sep 86

[Excerpts] Mexico City, 1 Sep (NOTIMEX) -- Finance and Public Credit Secretary Gustavo Petricioli today rejected the possibility that Mexico would declare a foreign debt moratorium, and stressed that a program of restructuring and efficiency in production is needed, because we cannot have a country with a spendthrift population.

In an interview at the Palace of the Legislature where the President made his report, Petricioli said that a moratorium is not under consideration as an adequate measure, inasmuch as it will not remove the debt and would be an obstacle in obtaining additional resources. he said that with the credits being received from abroad, the country can grow, because that foreign currency will not be used to pay out but to continue on the road to recovery. [passage omitted]

Petricioli mentioned that in 1987 the economic growth that had been anticipated will be attained, a growth which stopped because of the earthquakes and oil crisis. Mexico will have to make an effort and reorganize to be able to once again use its full capabilities. [passage omitted]

Petricioli denied the existence of pressures on the part of the IMF with respect to Mexico's economic policy. He said the government's program had been submitted to the consideration of international organizations and had been approved, but there was no pressure. They could have approved it or rejected it, but it was approved. [passage omitted]

WORLD BANK OFFICIAL TO PROVIDE MORE FINANCING

PA291645 Mexico City XEW Television Network in Spanish 1300 GMT 29 Aug 86

[Text] Ernest Stern, executive vice president [title as heard] of the World Bank, has met in Mexico City with Mexican Finance Secretary Gustavo Petricioli. The Finance and Public Credit Secretariat reported that Mr Stern came to Mexico to work on operational aspects leading to the release of fresh and additional World Bank resources for the country. The World Bank pledged approximately $2 billion in credit in 1986, as part of a large package of support for the Mexican Government's economic policy.

The Finance Secretariat noted that the additional World Bank funds will expedite the process of institutional changes and make easier the readaptation of the productive sector. The investment programs that the World Bank will support strive to promote employment and the creation of new jobs.

ARGENTINA TO PROVIDE FINANCIAL ASSISTANCE

FL290225 Mexico City NOTIMEX in Spanish 2345 GMT 29 Aug 86

[Excerpt] Buenos Aires, 28 Aug (NOTIMEX) -- Economic Ministry officials said today that the Argentine Government is expressing its economic solidarity with Mexico by contributing to a bridge loan (puente credito) which will provide the government with $1.6 billion.

The resources will support Mexico during the difficult situation created by falling oil prices and will be distributed by the U.S. Government, West European central banks, and four Latin American countries.

Argentina will support the multilateral financial operation with $60 million. [passage omitted]

ISRAEL DENIES REDUCTION OF OIL SALES

FL290215 Mexico City NOTIMEX in Spanish 2310 GMT 28 Aug 86

[Excerpts] Mexico City, 28 Aug (NOTIMEX) -- Israel will continue purchasing 60,000 barrels a day of Mexican oil at least until January 1987 at which time the 1985 bilateral agreement will be reviewed.

Pemex and the Israeli embassy in Mexico City denied any possibility of reducing the purchase-sale of oil. Pemex spokesmen confirmed that there is a 60,000 barrel-a-day export agreement with Israel and added it is Mexico's second [largest] client. [passage omitted]

For his part, Israel (Mey Amit), embassy spokesman, said he has not received any notice from Jerusalem about reduced oil purchases. He said the two countries are interested in increasing reciprocal imports and exports and the purchase-sale of oil will remain unchanged, at least until the agreement is reviewed.

PRESIDENT DELVALLE ADDRESSES LEGISLATIVE ASSEMBLY

PA021550 Panama City Domestic Service in Spanish 1800 GMT 1 Sep 86

[Speech by President Eric Arturo Delvalle opening current session of Legislative Assembly; at Justo Arosemena Legislative Palace in Panama City -- live]

[Text] Honorable Legislator Ovidio Diaz, president of the Legislative Assembly; Honorable Magistrate Marisol Reyes de Vasquez, chief justice of the Supreme Court, and other members of the Supreme Court; Honorable Magistrate Yolanda Pulice de Rodriguez, president of the Electoral Tribunal, and other members of the Electoral Tribunal; your excellencies, Messrs ministers of state and deputy ministers; honorable legislators; Your Reverend Excellency Msgr Jose Sebastian Laboa, papal nuncio and dean of the diplomatic corps accredited in Panama; your excellencies, Messrs ambassadors; Messrs directors of international organizations accredited before our government; Your Excellency Eng Francisco Rodriguez, comptroller general of the republic; Honorable Olmedo Sanjur, attorney general; Colonel Bernardo Barrera [G-2 of the Defense Forces General Staff] and members of the General Staff of the Defense Forces; Messrs directors of decentralized institutions; Your Reverend Excellency Msgr Marcos Gregorio McGrath, archbishop of Panama; Messrs representatives of the political parties; special guests; ladies and gentlemen, fellow countrymen:

I am very pleased to address this honorable Legislative Assembly on the beginning of a new period of sessions to report to you on the most relevant actions we have carried out since I gave my report before this august chamber on 1 March and on the problems and tasks we have ahead of us and which we must face with energy and responsibility. At that time, the republic was facing, with grave concern, serious economic, social, and political problems.

Later, events having international implications unexpectedly took place that complicated the government's actions in the search for solutions. Fortunately, united and with the strength of our convictions, we carefully analyzed the obstacles and overcame them with prudence, speed, and firmness.

In the first place, I want to stress the evident harmonious cooperation that has prevailed between the executive and legislative branches, as established by the Constitution, for the passage of several laws that will contribute to the country's development. These include the Judicial Code, the Law of Incentives for the Manufacturing Industry, the Law Promoting Agricultural Activity, the law that promotes employment and productivity, and the law establishing new incentives for the construction industry. These laws which I signed were approved by this legislature with a deep sense of patriotism and responsibility.

Second, in the economic area, we faced with courage and determination the fiscal crisis that existed, among other reasons, as a result of the effects of the national and international recession; and we soon achieved positive results.

I must state with great satisfaction that the duly balanced general state budget which you approved is being implemented with rectitude and efficiency.

In view of an improvement in the economic situation, current state revenues have slightly surpassed the estimates. This has permitted us to opportunely meet our international financial commitments. We are also making an effort to liquidate our internal commitments as soon as possible.

In the face of the reality we must confront, we soon plan to begin talks on renegotiating our foreign debt unitl 1990 under the most favorable terms for the nation. I am aware that it is essential to find formulas to increase the public investment program so that a greater number of social needs can be resolved, our infrastructure improved, and adequate solutions to the many demands of our growing population can be found.

Within the same field of the economic problems, we have established some order in public administration with programs to rationalize expenses, increase productivity, and liquidate some state enterprises that were too onerous a burden for taxpayers.

If there is something that has characterized my government, jointly with you honorable legislators, it is the energetic, sensible, responsible, and purely nationalist attitude it has maintained when carrying out essential actions to bring about fiscal reorganization and an adequate financing of our public debt.

There are some who try to confuse the citizens with false assertions that we are acting as a result of the impositions of international credit organizations. I will never accept any measures that harm the country's interests. I will never yield to the internal pressures of those who want to place themselves above the best interests of the homeland. I will never, hear this well, I will never permit the sale of such enterprises as the IRHE [Institute of Hydraulic Resources and Electrification], INTEL [National Institute of Telecommunications], the Lottery, and the IDAAN [National Water and Sanitation Institute]. [applause] I will never permit the sale of such enterprises. They provide public utility and social benefit services to the community. I will never tolerate the sullying, in any sense, of the dignity of the nation.

Although the government institutions have worked, with a high sense of duty under our guidance to achieve greater efficiency and to provide the best possible service to which all citizens have a right, we have just signed a decree ordering the planning and implementation of a general plan to modernize and simplify public administration. It will establish a program of guidelines, objectives, and actions for the country's development. We are aware that this decision means introducing a series of administrative, legal, and organizational innovations directly aimed at making the economy stronger and more dynamic.

I take this opportunity to issue a call to the public employees to think about their responsibility as servants of the community and about the dignity, honesty, and diligence that they should maintain in doing their job. It is time that the public identifies the public employee as an ally in the solution of its needs and that the state employee recognize that a citizen is a person whom he is proud to serve. We admit there is still much to do, but generally we should feel pleased because awareness is being created about the need for improvement. [applause]

One of the state institutions under the executive branch that I must mention especially is the Defense Forces -- particularly their commander in chief, who has been the target of groundless attacks by some minority sectors that have found echoes and complicity in foreign groups that have traditionally been enemies of our homeland. We have emphatically stated and we reiterate at this time our rejection of that anitnational campaign and we concurrently reaffirm our full confidence in the Defense Forces and request that they continue their patriotic mission of becoming more professional and preparing to defend our territorial integrity, our democratic system, our sovereignty, our Canal, and the life, honor, and property of all our compatriots. [applause]

That defamatory campaign found its answer and was confronted with the truth when it became evident that its real objective was to attack the Torrijos-Carter treaties and question our ability to operate the Canal efficiently. [applause] Of course we can run it; of course we can do it. The people recently showed their massive and definite support for our stand during a historic rally that was both great and enthusiastic. That was the people's definite answer to the attempts to weaken our capabilities to act as a free and sovereign country. [applause]

Although the recent past and current moments are important -- and that is why I have referred to the most significant things that we have jointly carried out to date -- what we do tomorrow will have special historic significance because it will represent the heritage that we bequeath to future generations. That responsibility with the future commits us toward exerting the greatest efforts and redoubling our determination to serve jointly the nation's high interests. [applause]

Our flag flies atop the hill of [Panamanian poet] Amelia Denis de Icaza, our Ancon hill, as a vivid reminder of the generations-long effort we are going to continue with special patriotic spirit so that the letter and spirit of the Torrijos-Carter treaties will be totally fulfilled.

The republic has an inexorable right in the year 2000, and all the people will demand their faithful fulfillment. No one and nothing will prevent us from achieving the destiny that, because of the designs of nature, is ours. [applause]

The task that requires our immediate attention and energetic and resolute action is the utilization, in the most advisable manner, of the areas and installations that have reverted and that gradually will continue reverting to our country. For this purpose, in the next few days, I will issue the appropriate measures to appoint a group of distinguished citizens to plan and implement the following measures:

1. They will draft a law creating an agency that will deal with everything concerning the plan for land use of the Canal area and the hydrographic basin. The law will fill the existing legal vacuums so we can use beneficially, in a regulated manner, the areas and installations that have been or will be incorporated into the national jurisdiction.

2. They will study and implement the strategy to achieve the modification or repeal of the opprobricus Law 96-70. [applause]

The executive branch will opportunely send this honorable Legislative Assembly for its consideration bills on these important topics as well as others that in our view, are fundamental for the country's economic, social, and cultural development.

With the same energy, we must continue to prepare, in the best possible way, to guarantee to all the countries of the world the normal and efficient operation of our canal.

That will constitute the most emphatic refutation of those who use against us the lie that we are incapable of taking care of that great work of engineering and of operating it with the same or better efficiency that it is operating now. In view of this responsibility to international shipping, we must face this challenge, acting with faith and devotion to fulfill our mission.

In the economic field, we must redouble our efforts to successfully continue the country's economic reactivation, cornerstone of all the programs we have to carry out to effectively open the way to the nation's integral development.

My government will continue its efforts to offer all facilities and necessary mechanisms to achieve a sustained economic growth in the country which will permit us to fulfill our obligations and at the same time to make public investments to imporve the standard of living of all Panamanians. [applause]

An important part of the instruments needed to firmly promote the growth of our economy is the establishment and development of the port center which will bring about an inflow of wealth from our trade relations with the rest of the world.

I plan to give the highest priority to that project, the realization of which is essential for the nation.

We must also strengthen our banking center and expand its financial scope with the creation of an international stock exchange. We must take utmost advantage of the rapid exchange of international finances, something that has incalculable possiblities due to the progress in computer science. We must offer local and foreign investors and businessmen and all the financial transactions that can be carried out in a large-scale banking center as the one we already have.

This week we will present for the consideration of this honorable legislature a bill that regulates and modernizes the activity of the country's financial enterprises.

To protect the seriousness of our banking community, I have issued instructions for the drafting of a law which, without affecting the basic principles of social, political, and economic coexistence in our community and maintaining the stability of the financial center, will remove the cancer of drugs from our borders.

I am dutybound to make known to my fellow countrymen that the Social Security Fund -- one of the most respected and revered insitutuions because of its role as protector of its members -- is experiencing a slow but continuous decapitalization, according to the actuarial analyses that have been carried out for several years. This is worsened by the loss of the resources from the second portion of the 13th-month bonus which represents the sum of 40 million balboas a year. One must also state that this situation is not due to the fact that the government pays the Social Security Fund the employer's share of the public sector's contribution with state bonds. They constitute only part of the institution's reserves and those bonds produce, in cash, interest that is higher than that which it could obtain in the stock market. In this regard, I also want to state that the government has totally settled the payments it had pending with the Social Security Fund in both interest and capital.

The Social Security Fund's situation cannot be exclusively blamed on the collective housing program, although we admit that it has meant a loss for the institution.

Despite those unfavorable circumstances, in a difficult act but one filled with great justice, the pensions of the insured were increased to partially compensate for the increase in the cost of living and to make more pleasant and bearable the life of the senior citizens.

I must state with equal sincerity that in light of what I previously mentioned it is essential that we jointly adopt the corrective measures to guarantee the economic solvency of the Social Security Fund so it can continue to fulfill its obligations with regard to retirees, widows' pensions, the disabled, minors who are beneficiaries, employment disabilities, and the programs of medicine, maternity, and illnesses.

Although it is true we have made significant progress in the social field, we have yet to adequately resolve the housing shortage. Without wanting to delve into its main causes, I have decided to carry out a massive program of construction of low-income housing, a problem the private sector has been unable to totally resolve.

As president, I have the aspiration that every Panamanian will have clean, comfortable, and decent housing. I plan to immediately begin a war against the subhuman living conditions, and I will begin by building the housing facilities that are necessary to once and for all demolish all of the condemned houses in Panama City and Colon which are a disgraceful monument that brings us shame. [applause]

To resolve that problem the state will spare none of its resources, including its patrimony, such as the lands of the nation on which to build the homes clamored for by thousands of humble Panamanians.

Now, I wish to refer to our determination to strengthen Panama's international presence, in keeping with the authentic image of our country and its vocation as an independent and sovereign nation, ready to strive for harmony and peace, and to maintain the relations of friendship, so long as these are based on mutual respect. To this effect, I want to acknowledge that this honorable chamber has contributed positively to the consideration and approval of important international agreements that strengthen cooperation and fraternity with many friendly nations.

Today marks the 25th anniversary of the founding of the Nonaligned Movement, of which Panama is an active member. I avail myself of the majesty of this tribunal to extend a special greeting of sympathy and solidarity to all the member-countries of this group, which contributed so much to the success of the cause of revindication of our sovereignty, which culminated with the signing of the Torrijos-Carter treaties and thereby the elimination of the colonial enclave which existed in our country. [applause]

I want to advise the honorable legislators that in the eighth Nonaligned Summit which opens today in Zimbabwe, Vice President Esquivel will offer an exposition on the nation's demands in view of our nonconformity and disagreement with the unilateral interpretations and violations of the new Panama Canal Treaties, with the assurance that that very important forum, which will be attened by state leaders of 100 countries, will generate extraordinary support for our efforts to have the United States rectify such actions and immediately undertake the revision of law 96-70 to eliminate its contradictions with those treaties and its conditions of injustice toward Panama.

I reiterate our steadfast position to continue to make efforts at all appropriate forums to demand the correct and faithful execution of the Torrijos-Carter Treaties. This profound and broadly shared feeling of all the Panamanians was shown recently. With this same strength, determination, energy, and patriotism, I will personally voice our people's stand before the United Nations, the highest internatonal tribunal. [applause]

It is necessary to maintain and strengthen -- at all costs -- the democratization of the country, a process that has been sponsored by the Defense Forces. This process began with the amendments to the national Constitution that were made with the participation of representatives from various political sectors.

A democratic system of government is, for historical reasons and firm conviction, the political government system preferred by Panamanians. We, both rulers and the governed people, must continue striving with all efforts necessary to consolidate the system, regardless of our political differences.

However, as we do this, we must not confuse democracy with weakness, or liberty with libertinism. If democracy entails political and civil liberty, weakness entails disorder and abuse to the detriment of the essence of democracy.

If liberty is a situation of law that is restricted only by what is ordered in a legally established juridical disposition, then libertinism is a disavowal of that order and the predominance of anarchy and privilege over the respect that should prevail for the benefit of all.

Justo Arosemena, whose good memory shelters this Legislative Assembly, said: In politics, liberty is the security one has to exercise those powers against all excessive restrictions. Therefore, liberty and security do not entail any antagonisms. These ideas complement each other.

We reiterate our commitment to improve and uphold this democracy that can only survive if all powers and institutions of the state, as well as all citizens, understand and enjoy the liberties that democracy has to offer but, at the same time, observe and respect the restrictions democracy establishes to protect the sacred rights of others.

I will always insist on the advantages of dialogue and agreements, on the civic value of constructive criticism and an opposition that is loyal to the fatherland, on a respect for the opinion of others, but also on accepting the decision of the majority after a broad, frank, and free debate.

Today, I am pleased to announce that the efforts we have made so far in various fields have not been in vain, as those who place their personal ambitions over the well-being of the Republic and its citizens have tried to show.

Most of the economic indexes show that there is a true and significant improvement in the first 6 months of 1986 as compared to the first 6 months of the previous year. The increase during the first 6 months of 1986 of Canal tolls, of port activities, of the Colon Free Zone trade, of exports in general, of fiscal revenue, bank deposits, and local credits that have been granted, as well as the increase in the gross national product and a decrease in the inflation rate, are clear and irrefutable evidence that we are again undergoing a process of growth and reactivation, following a period of stagnation.

If all Panamanians become aware and make use of the opportunities that come up instead of continuing on the futile path of nonconformity, this process of growth and reactivation will become more dynamic and, consequently, entail more benefits for the citizens.

Honorable legislators, we must be very much aware of the fact that the responsibility to contribute to the reconstruction of the Republic does not belong only to just a few citizens. This is a task that concerns all of us. Those of us who are governing and those who are the governed ones, workers and entrepeneurs, farmers and cattle ranchers, industrialists and businessmen, are all strongly united by a superior will to once again place the country along the path of prosperity and well-being that it deserves.

Those who shy away from that responsibility and those who only do it half way are not aware of the damage they are doing to the nation. If they are aware, they are completely ignorant of the virtues of noble men, above and beyond petty politics and personal ambitions.

The country does not belong exclusively to any sector, but to all of us who live here. It belongs to those of us who are governing and those who, in a responsible manner, make use of the democratic right to criticize us. It belongs to the foreign nationals who live with us and to the temporary visitors who come to our beaches to share with us the beauty, atmosphere of peace, and installations of these beaches. Above all, it belongs to the Panamanian who dearly loves his fatherland and seeks to preserve a free and peaceful society, where rights are respected and duties are fulfilled in a serious manner.

The concept of the Panamanian fatherland must be greater than the extension of its territory or the perimeter of its borders. We have a special dimension as a nation due to our privileged geographic position that makes us the crossroads of the world.

Let us make of our land what is expected from it: a bastion of peace, progress, and freedom for the benefit of the Panamanians and an example to all nations of the universe. Thank you. [applause]

COSTA RICA

EDEN PASTORA REPORTEDLY ARRESTED NEAR NICARAGUA

PA031515 Panama City ACAN in Spanish 1501 GMT 3 Sep 86

[Text] San Jose, 3 sep (ACAN-EFE) -- It has been officially reported that former anti-Sandinist leader Eden Pastora Gomez was arrested this morning in Costa Rican territory near the border with Nicaragua.

Security Minister Hernan Garron Salazar told ACAN-EFE that Commander "Zero" was arrested by the authoritis when it was learned that he was in Barra del Colorado with the intention of resuming armed actions against the Managua government.

Pastora Denies Arrest

PA031800 Panama City ACAN in Spanish 1708 GMT 3 Sep 86

[Text] San Jose, 3 Sep (ACAN-EFE) -- Eden Pastora, the former anti-Sandinist leader, is not under arrest but is at home with his family. At 1700 Pastora briefly appeared before reporters and was saddened by the "deception" of Security Minister Hernan Garron, who announced Pastora's arrest in Barra del Colorado, in the northern part of the country near the Nicaraguan border.

Security Minister Comments

PA031914 Paris AFP in Spanish 1814 GMT 3 Sep 86

[Excerpts] San Jose, 3 Sep (AFP) -- Today, Hernan Garron, Costa Rican public security minister, described the false report on Eden Pastora's arrest in the area of Barra del Colorado, on the country's Atlantic coast, as a "tremendous error" by his subordinates.

The former Nicaraguan guerrilla leader said he regretted the Costa Rican Government had been "caught unawares" by such a report. Pastora said that he did not understand how Security Minister Hernan Garron "had been deceived" by a report that at present has no explanation.

Garron apologized to the press and to Pastora personally, for "having disseminated the false report" about Pastora's arrest, and admitted that he did not have a logical explanation for the incident.

Minister Garron promised to make a detailed investigation of the case. He ordered the immediate "arrest" of Commander Alvarado, the chief of the civilian guard post in Barra del Colorado. According to Garron, Alvarado reported Pastora's arrest to the high command simply because he had arrested a group of eight men, among whom was someone "who physically resembled" the former guerilla leader. [passage omitted]

NICARAGUAN MINISTER REQUESTS REFUGEE FACILITIES

PA031700 San Jose Radio Rejoj in Spanish 1200 GMT 2 Sep 86

[Text] The Sandinist government is requesting facilities for the return of refugees. The Sandinist Government of Nicaragua, through Deputy Foreign Minister Jose Leon Talavera, has requested that facilities be given to those refugees wishing to return to their country. The deputy foregin minister visited the country this past weekend.

Deputy Foreign Minister Carlos Rivera stated that his Nicaraguan counterpart had expressed concern at the vigilance at the border region in view of the $100 million in aid that will be given by the U.S. Government to the rebel groups. However, the Costa Rican official noted that the views of his Sandinist colleague were informal and that no document to that effect has been presented.

Deputy Foreign Minister Carlos Rivera said that he told Minister Leon Talavera, in response to the latter's request that facilities be given to refugees, that all refugees are free to return to their country whenever they want. Although attention to the refugees represents a serious problem for the country, nobody is held against their wish in the refugee centers. However, if they do not want to leave national territory, they will not be forced to do so, Minister Rivera explained.

The Costa Rican Foreign Ministry explained that the request voiced by the Sandinist deputy foreign minister was heeded, despite the fact that his visit was private and personal.

Costa Rica will maintain its position regarding the suit in The Hague. Regarding the suit filed by the Sandinist government against our country at the International Court of Justice at The Hague, Deputy Foreign Minister Carlos Rivera Bianchini said that he explained the justification that he considered the Nicaraguan Government had to present. To that effect, Deputy Foreign Minister Jose Leon Talavera was told that Costa Rica will maintain its steadfast position to defend our country from the charges made against it.

Rivera Bianchini also believes that the initiative of the Sandinist deputy foreign minister, requesting the audience that he had last Friday, was directed at breaking the ice that has surrounded the relations between the two countries.

ARIAS COMMENTS ON FMLN/FDR - SALVADOR MEETING

PA030223 Hamburg DPA in Spanish 2154 GMT 2 Sep 86

[Text] San Jose, 2 Sep (DPA) -- The Costa Rican Government will do its utmost to facilitate the meeting of the Salvadoran rebels and government delegates in San Jose. It has unofficially been reported that the meeting will be held next Sunday. The delegates of the two sides will meet in Costa Rica to conclude the details of the meeting to be held in Sesori on 29 [as received] September, which will be attended by President Jose Napoleon Duarte and top leaders of the guerrilla organization.

Costa Rican Foreign Minister Rodrigo Madrigal Nieto said today: "The two groups will officially meet here. All efforts will be made so that the meeting can succeed."

President Oscar Arias was "pleased that Costa Rica will be a bridge for peace talks in El Salvador."

Delegates of the two groups met in Mexico City from 22 to 24 August. It has been reported that the two main topics to be discussed during the meeting in Costa Rica will be security at Sesori and how the delegates will reach the meeting place.

EL SALVADOR

FMLN-FDR SAYS NO AGREEMENT ON PLACE FOR MEETING

PA030401 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 2 Sep 86

[Report by Oscar Venancio Remirez]

[Text] The rebel fronts stated today that there is still no definite agreement as to the place where the second round of private talks prior to the third dialogue for peace will be held. They said, however, that an agreement was reached as to the exact date for the meeting.

In a communique sent to the YSKL news center, they said that in Mexico they had agreed to hold the second preparatory meeting in the first half of September. By common agreement, however, they decided to keep the exact date a secret.

They added that no definite agreement was reached about the place where the second preparatory meeting would be held. The FMLN-FDR demanded that the meeting be held in San Salvador. However, in view of the government's refusal, they studied the possibility of holding the talks outside the country, but both parties would have to check with the government of those countries first.

3. [as heard] It was agreed in Mexico that, after reaching a definite agreement as to the place, the parties, as well as the mediator, would keep it a secret in order to contribute to the right climate for the second preparatory meeting.

They said that on Wednesday, 3 September, in Panama City they will deliver to Msgr Rivera y Damas, upon his return from Colombia, their proposed site of the second preparatory meeting. In addition they reiterated willingness to hold the second preparatory meeting on the date agreed and said they are certain that an agreement will be reached in the next few days on the site of the second preparatory meeting.

HONDURAS

TIEMPO SAYS NATION OPPOSES CONTRA CAUSE

PA281637 San Pedro Sula TIEMPO in Spanish 27 Aug 86 p 6

[Editorial: "A Firm Military Attitude and Public Opinion"]

[Text] After Congress approved the $100 million in military support for the "contras" -- who are settled mainly in Honduras and secondly in Costa Rica -- high-ranking U.S. officials visited Tegucigalpa to meet with several Honduran Government officials to discuss the matter.

We know that the allocation of the $100 million approved by Congress means very little to the United States -- and that, on the other hand, the available money will quadruple or quintuple that sum, which will be handled by the CIA. The main thing is that the Reagan administration succeeded in legitimizing its interventionist, aggressive policy in Central America when it obtained the support of Democrats and Republicans in the House of Representatives and Senate.

Under those circumstances, the first problem faced by the Reagan administration -- particularly by Elliot Abrams, assistant secretary of state for inter-American affairs and "strong man" for Central America, who is now responsible for leading the war against Nicaragua -- is the presentation of effective results, because now Congress is no longer presenting any opposition, or excuses; it gave all, and a little more, of what was asked of it.

In the effort to attain the planned goals -- the overthrow of the Sandinist regime -- there is a generalized opinion about the "contra" movement: Despite the large financial support grante -- the beginning of which undoubtedly can be predicted, and whose end can never be foretold -- except for the moral, political, material, and human damage that it will inevitably produce and of which we already have memories.

Similarly, the Honduran people's position regarding the "contra" movement is perfectly clear. We say that the same thing is being felt inside the Honduran Armed Forces, which were deeply shocked by the attack on Assistant Deputy Rodolfo Zelaya, alias (Noche Clara): an absolute, total, and definitive rejection of the "contra" presence in our country.

So, when Messrs Elliott Abrams; Armitage, a military planning specialist as well as assistant secretary of defense; Nestor Sanchez, a deputy assistant secretary at the Defense Department; and William Walker, an assistant of Assistant Secretary Abrams, all visit the Honduran capital, and then Walker returns and the representatives of the Nicaraguan Democratic Force ("contras") -- Calero, Robelo, and Cruz -- also visit Tegucigalpa, no one doubts what this means or how important these developments are.

However, all those events are taking place in an atmosphere that is increasingly clear regarding the national attitude about Honduras' participation in a war escalation against Nicaragua.

In the last few days, General Humberto Regalado Hernandez, the chief of the Honduran Armed Forces, has been insisting that Honduras is determined to forbid the use of its territory for the military training of "contras" or for "contra" supply activities.

Regalado Hernandez said, as has the Salvadoran Government, that Honduras will not accept "green berets" training the "contra" army in this country. This firm stance, if true, will be determined by the attitude of our people and the internal situation of the Honduran Armed Forces.

HUMAN RIGHTS COMMITTEE COMMUNIQUE ON 'DEATH SQUAD'

PA040013 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 2 Sep 86

[Communique issued by Honduran Human Rights Committee CODEH in Tegucigalpa on 1 Sep]

[Text] CODEH considers it an obligation to make this report based on the following events and circumstances:

1. Precedents: Since his position as FUSEP (Public Security Forces) commander and then as Honduran Armed Forces commander in chief, former General Gustavo Alvarez Martinez organized under his direct command the special investigation services or Battalion 350, then under the command of Police Captain Alexander Hernandez. Later, another military man took charge when Alexander Hernandez was promoted to police major by the National Congress in December 1982 and was named military attache to the Honduran Embassy in Argentina, despite our report on his responsibility for missing people and the murders of peoples' leaders. He remained there until the government of Raul Alfonsin declared him persona non grata at the end of 1984, at which time he was named deputy director of the National Police Academy, ANAPOO. The special Armed Forces commission that investigated the disappearances and other human rights violations did not find anyone among its ranks guilty, as per the report submitted to former President Dr Roberto Suazo Cordova. Honduran justice declared several officers accused of murder, disappearances, tortures, and other violations innocent in a trial that we have found to be full of irregularities and procedural errors.

Now it appears that Alexander Hernandez handed over (Eduardo Lanche) and Feliz Martinez to the Nicaraguan counterrevolutionaries, who later killed them. This is what (Linda Brocker) reports in her recent reportage "The History of a Contra."

Since May police and other military officials and civilian authorities have conducted a campaign to report on the uncontrolled increase in crime. Soon after that an announcement appeared on a death squad that was formed to execute repeat criminals. This squad killed at least five of those criminals, who had previously been in DIN [Department of National Investigation] cells. A lot has been said regarding subversive criminals to get the Honduran people to accept their execution, presenting them as the result of alleged political differences, as happened with the murder of Cristobal Paz Alfaro.

2. Recently we received a list of those sentenced to death, despite the constitutional right to life, in defense of national sovereignty, territorial authority, respect for human rights, and the right of the Honduran people to self-determination and peace. They are: Lautama Fonseca, Pedro Brizuela, Longino Becerra, Virgilio Carias, Albertino Reina, Carlos Roberto Reina, Adela Acosta, Victor Meza, Juan Almendares Bonilla, Cristobal Flores, Modesto Rueda Faska, Ada Joaquina Rueda Faska, Isaura Rueda Faska, Carlos Orbin Montoya, two students from the Secondary Student Federation [FESE], and a student from Francisco Morazan High School. As their deaths will be the making of the death squads, we hereby call the attention of the president, of the presidents of the National Congress and the Supreme Court of Justice, and the military High Command, calling for them to guarantee the lives of all the Hondurans mentioned on the list, holding them responsible from this moment on any attack against them.

CODEH also calls for the Honduran people's good sense and condemnation of murders committed and to be committed by any means they can and demands the punishment of those guilty.

Let us fight for peace, human rights, and justice.

[Signed] Ramon Custodio Lopez, president of CODEH

Tegucigalpa, 1 September 1986

DEFENSE MINISTRY REPORTS CONTRA CASUALTIES

PA031710 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 2 Sep 86

[Text] Defense Ministry sources have reported to the Sandinist newscast that mercenary forces sustained more than 200 casualties, including more than 167 deaths, in fighting that occurred 19-31 August, principally in Zelaya Department. The harsh blows dealt to the countrerevolutionaries were the result of more than 20 skirmishes during the latter half of the month. Some of the fiercest fighting occurred on 24 August when more than 21 mercenaries were eliminated in the sector of El Toro, north of (La Pinuela), and in the vicinity of Nueva Guinea. In those skirmishes government forces recovered two AK rifles, three G-3 rifles, radios, antitank mines, and M-79 grenades.

Another important skirmish occurred in (Caraola), 25 km southeast of San Pedro del Norte, where 15 mercenaries were killed and 3 captured. Yesterday, in the area of (Tisaura), southeast of Bocana de Paiwas, 14 counterrevolutionaries were eliminated and a wounded woman captured. In this incident the EPS forces seized three FAL rifles, two folding AK rifles, two AK-47's, three G-3 rifles, one M-79 grenade launcher, and communications equipment.

NICARAGUA

UNO CHARGES SANDINIST USE OF CHEMICAL WEAPONS

PA030335 Panama City ACAN in Spanish 2218 GMT 2 Sep 86

[Text] San Jose, 2 Sep (ACAN-EFE) -- The Nicaraguan Opposition Unity [UNO] today reported that it had inflicted 42 casualties on the EPS during August in the southern region of Nicaragua. According to a "war bulletin" issued by the "contras" who are fighting in the southern area of that neighbor country, the clashes, led by Fernando ("El Negro") Chamorro, took place in Zelaya and Chontales Departments.

The bulletin, released in San Jose, states that UNO forces suffered seven casualties during the clashes. It did not specify the number of dead and wounded within the EPS or its own ranks. According to the report, during the clashes the anti-Sandinists also "recovered" six Soviet made "AK-47" rifles, ammunition, boots, three fragmentation grenades, and military blankets.

The UNO, financed by the United States, also charged that the Sandinist forces used chemical weapons, which have been banned by international conventions, in areas of Nueva Guinea and Chontales. The use of chemical weapons resulted in blindness and loss of hair for a civilian and a combatant.

CASTRO ADDRESSES NONALIGNED SUMMIT IN ZIMBABWE

FL031456 Havana Television Service in Spanish 0100 GMT 3 Sep 86

[Speech by President Fidel Castro at plenary session of Eighth Nonaligned Summit in Harare, Zimbabwe, on 2 September -- recorded]

[Text] Comrade Mugabe: My speech is not too long, but unfortunately I have not been able to cut it back as you had so wisely asked everybody to do. [laughter in audience] Thus, I have nothing to do but to remember to do that at the next summit, and ask all others to please excuse me. [applause]

Esteemed Chairman Robert Mugabe, distinguished chiefs of state or government, Messrs members of delegations, distinguished guests: Just 7 years ago, when we held our summit in Havana, we had the honor of greeting you as a full member of the Nonaligned Movement, the heroic liberation movement of Zimbabwe, which had not yet attained independence. Today, the eighth summit of Harare, being held in the youngest sovereign state in Africa, advanced trench of the continent in the struggle against racism and apartheid, is a symbol of the strength of our movement and the unstopable march of the peoples toward independence.

When Zimbabwe was elected as the movement's forum for the eighth summit, we also elected the person who would guide the movement during this new period of time, the national hero who led the struggle of his people for liberation, Robert Mugabe. Allow me, esteemed Comrade Mugabe, in the name of Cuba, to associate myself with the atmosphere of respect and sympathy that this meeting affords us all. We are sure that under your sober and experienced direction, the nonaligned countries movement will adopt very important decisions in this summit and will make firm progress toward the future.

At this time I also wish to honor the memory of a great lady who is no longer among us, the unforgettable Indira Gandhi. She led us with wisdom and dignity during the major part of India's mandate. Her atrocious assassination moved us all. We will always remember her with profound respect and gratitude. In paying tribute to her, I must stress what the serene and intelligent leadership of India's Prime Minister Rajiv Gandhi has meant to the movement. He knew how to guarantee the movement's independence and maintain our unity during difficult times. Under his sound leadership, we have advanced with success toward this summit.

Our world is facing two mortal and unprecedented dilemmas, peace or total self-destruction, a just international economic order or the most frightening destiny for the immense majority of the peoples on earth, who are represented in this forum, even if there were peace. The Third World countries will have to share the worst of the two dilemmas. We can be swept away from the face of earth in a war for which we will have the least responsibility and in which we will not have any participation. We could be crushed by hunger and poverty for the sake of a world economic order which was not created by us, and which emerged and developed in spite of us and against us.

Many years ago I said at the United Nations: Let the philosophy of looting end and the philosophy of war will cease. The conquering and colonization carried out in past centuries at the expense of the peoples of America, Africa, and Asia by a handful of European superpowers which violated, killed, assassinated in mass, uprooted from their lands millions of persons to enslave them, extracted all the gold and silver possible from the bowels of our soil, and processed innumerable tons of sugar, coffee, cacao, tea, cotton, and other wealth from the sweat of the slaves for the enjoyment of colonial societies were inspired in that philosophy of looting, plundering, and exploitation of other peoples. In that manner emerged capitalism, dripping blood from every pore, and later on imperialism and neocolonialism emerged. This does not have to be studied in any book on Marxism because it has been written with indelible prints on the flesh of all our peoples. What is underdevelopment if not a direct result of that historic plundering? From the philosophy of looting, from the old system of distribution, and the new attempts to distribute the world among imperialist superpowers resulted two world wars which cost humankind rivers of blood. On that same philosophy imperialism today inspires itself by unleashing the greatest arms race ever recorded by history.

The developed capitalist powers are not satisfied with our loss of natural resources, primary resources, markets, and inexpensive handiwork. They sell their products at a higher price each time and pay miserable prices for our products. They do not reject the practice of systematic stripping [despojo] of our economies. They are not satisfied with the existance of new forms of production and distribution of social riches which are not their old and rotten capitalism. Finally, they are not satisfied with the true national independence of the old colonies and the peoples' liberation movement. In essence, therein lies the cause of the enormous accumulation of nuclear arsenals, strategic rockets, long-range bombers, gigantic aircraft carriers, battleships, submarines, rapid-strike forces, and imperialist military bases everywhere. Therein lies the cause of the excessive enthusiasm for using weapons in space, and one day man will not be able to see the scars without his vision being shadowed by the idea of the deadly arsenal of nuclear weapons, lasers, particle beams [haces de particulas], and similar artifacts revolving all around him. No country will feel secure. Those weapons in the sky have no purpose other than to take possession of the goods of man on earth.

Also because of this, they categorically deny recognizing the rights of the sea elaboratored and agreed upon by the majority of the international community. They want all the ocean waters for themselves and all the minerals within reach of their sophisticated technologies.

No one should find it unusual to call a spade a spade. If the United States attains military supremacy in the world, to which it outrageously aspires, everyone here knows that their oil, iron, cooper, chrome, bauxite, rubber, lead, zinc, and other natural resources and raw materials would again be divided among the capitalist superpowers to satisfy their insatiable desire for consumption, while we would not have a single weapon with which to defend ourselves. This did occur at the beginning of the oil crisis simply because a new correlation of forces developed in the world when socialism emerged and more than 100 countries freed themselves from the colonialist yoke.

Cuba, member of the Nonaligned Movement and one of its founders, is proud of its condition as a socialist country. Essentially, socialism is foreign to war [el socialismo por esencia es ajeno a la guerra] and to the exploitation of the sweat and natural resources of other peoples. Socialism does not need foreign investments, or bases abroad, or military bases beyond its borders, or distribution of the world. It does not need to produce arms to step up the economy and enrich monopolies. It knows perfectly well that resources can be and should be invested in factories, hospitals, schools, housing, centers of recreation and culture, and other more noble projects.

The heaviest burden imposed by imperialism on socialism is arms expenditures. Our country, just a few miles from the United States, knows this perfectly well. In this supreme and decisive hour for all peoples, it is imperialism, and not socialism, which refuses to end nuclear arms tests and which rejects the only coherent, logical, and acceptable policy for humankind. Ceasing the arms race, prohibiting chemical arms and other means of mass destruction, significantly reducing the number of conventional weapons, and initiating a program for the total elimination of nuclear arms in the shortest time possible are the most heartfelt aspirations of not only the men building socialism, but of all responsible and sensible persons on earth.

The nightmare burdening the entire human race should cease. It is not possible to talk about security for anybody in a world whose extermination is a real possibility any time of day or night. If humankind should play any role in the events determining its own existence, then it, through the international community and including the peoples of the imperialist countries themselves, will make these objectives prevail.

Peace is one of our movement's most sacred duties. No one is exempt from such an obligation. In the recent meeting held in Mexico by a group of six eminent international personalities, they said the struggle for peace is a task not only of the great superpowers, but of all nations in the world. Humanity could and should be able to impose peace. The Nonaligned Movement, with its immense prestige and political might, could and should make a decisive contribution in that direction.

The other moral dilemma overwhelming us -- the economic problem -- is also threatening our survival but, in this case, all the Third World countries are almost exclusive victims. That is why we not only need peace, but also the resources used in war and for the destruction of man should be invested in the economic and social development of the world, first of all, in countries historically looted, yesterday's colonies, today's new colonies. However, military expenses which surpassed $650 billion at the time of the 1983 New Delhi summit in 1985 amounted to the fabulous amount of $850 billion, despite the fact that today's nuclear arsenal is equal to nearly 16 billion tons of TNT. After World War II, in almost 40 years, $17 trillion has been spent on military expenditures. This amount is many times greater than would have been required to bring all the Third World countries together out of underdevelopment.

Today there would be no hungry people, no undernourished, no illiterates, no sick people, no unemployed, of the hundreds and thousands of millions of persons on our planet. Today our countries would not have a gigantic foreign debt of almost $1 trillion which, even though overwhelmingly high, represents only 5.8 percent of postwar arms expenditures.

As I said after the sixth summit before the United Nations, one noise made by weapons, threatening language, and arrogance in the international scene should end. Enough is enough concerning the illusion that world problems can be solved with nuclear arms. Bombs might kill the hungry, the sick, the ignorant, but they cannot end hunger, diseases, ignorance. They cannot end the just rebelliousness of the peoples; and, in the holocaust, the rich will also die. They are the ones who can be hurt the most in this world.

There can be no development if there is no peace, and there can be no peace if there is no development for the immense majority of the peoples on the earth. However, the reality is that we are being exploited increasingly more mercilessly. What we import from the developed capitalist world, whether a truck, a tractor, a locomotive, an industrial component, a factory, medicine, medical equipment, a small spare part, whatever, is increasingly costly. What we export is paid for at lower and lower prices. Excluding oil, the privilege of a very few countries which also have difficulties today, we have to deliver three times, four, and even six times more sugar, tea, coffee, cacao, henequen, copra, iron, bauxite, copper, et cetera for the same product we were importing 30 years ago.

Today there is more unequal trade, protectionism, dumping [word rendered in English], unfair competition, control of the markets by the transnationals, higher interest rates, capital flight toward the great U.S. and European financial centers, and more manipulation of international finances by the imperialist superpowers than ever before in history. The price we pay as neocolonies is much higher than even the one we were paying when we were colonies. I do not want to burden you with statistics, but I ask that you allow me to cite some of then to illustrate this tragic situation:

The foreign debt, which in 1977 amounted to $373 billion, in 1985, only 8 years later, amounted to nearly three times that figure, $950 billion. Between 1981 and 1985, the Third World countries paid more than $300 billion in interest and $526 billion for total debt service. In 1985 Africa spent 30 percent of its export income on debt servicing, and Latin America spent 44 percent. Between 1980 and 1985, the Third World countries lost $104 billion because of the terms of unfavorable trade, and $120 billion because of excesses in interest rates.

The drop in prices of basic products forced those countries, in 1985, to deliver 25 percent more goods than what was supplied in 1980 to obtain the same amount of imports. In 1979, 40.2 percent of the international financial flow was directed toward the Third World countries, but in 1985 they only received 10.3 percent. The United States, the richest and most developed country in the world, which in 1980 received 6.1 percent of that flow, in 1985, received 24.2 percent. The amounts lost because of capital flight, chronic inflation, high interest rates offered by U.S. banks, and lack of stability in the countries are incalculable. The money for the colossal U.S. rearmament, "star wars," the gigantic budgetary deficits, enormous trade imbalances, the aggressive policies, and other stupidities had to come from somewhere.

The IMF, the financial gendarme of imperialism, categorically demands Third World countries to terminate fiscal deficits and trade imbalances, reduce education and health expenditures, eliminate state investments, depreciate the currency, raise prices of consumer goods and services, suspend restrictions to free importation, in other words to burden the people, already impoverished and weakened, with the weight of the debt and crisis. However, in Washington, just a few blocks from the IMF headquarters, is the White House, the residence of the U.S. Government, which has provoked one most fabulous fiscal and commercial deficits in the history of the world.

The IMF has never sent a single expert there to demand the end of the fiscal deficit, trade imbalance, protectionism, dumping, high interest rates, manipulation of the dollar, and other infamous and fateful practices for world economy. The IMF does not send experts to countries of the European Economic Community which flood the world with subsidized agricultural products in unfair competition with Third World countries with a selfishness that borders on insanity.

The United States is rearming with the world's money, and the IMF remains silent. The United States lives and spends far more than its own production at the expense of the world economy, and the IMF remains silent. That is the economic order that has been imposed on us.

With the aid of mathematics, we have examined all variants that have been suggested to solve the debt problem, with current interest rates or lower interest rates, with new credits or without new credits, with payment limits tied to exports or without limits, with moratorium or without moratorium, and even in the case of a supposed sustained development at a fast pace, practically a utopia. The result of all examinations is that the debt, like an enormous and monstrous cancer whose malignant cells multiply at an accelerated rate, tends to reproduce and grow infinitely.

We decided to estimate how much time a man would need to count the Latin American foreign debt at the rate of a dollar per second. The result was more than 12,000 years. Today there is a fashionable and worrisome disease called acquired immunodeficiency syndrome. Well, the Third World foreign debt is the AIDS of the world economy.

Based on mathematic calculations and sober reflections on the problem, we reached the conclusion that the Third World countries' foreign debt is unpayable and uncollectible. It constitutes, for those countries, a political, economic, and moral impossibility. Our countries are not debtors but creditors. Capitalism and its development was financed with the blood, sweat, and wealth of the colonies in Asia, Africa, and Latin America. With the trade imbalance, they have stolen much more from us than the total amount of the debt. Protectionism and dumping are blocking our exports and bankrupting our peoples. A large part of the money lent to us fled back to the Western financial centers without providing any type of progress for our peoples.

The high interest rates multiply our already burdensome load. The debt must be erased. The governments of creditor countries should make themselves responsible for the debt with their own banks, and there would be no need for new taxes or sacrifices for the depositers or contributors of those countries. Less than 15 percent annually of the present military expenditures suffices to retire, in a not very long time, that debt. The world economy could only come out of the crisis with the abolition of the debt and the New International Economic Order, which has already been approved by the United Nations but never implemented.

By annually raising by hundreds of thousands of millions of dollars the purchasing power of the Third World, international trade would multiply, the industries of the developed capitalist countries themselves would be in full production, and would help them to mitigate their worse tragedy, chronic and growing unemployment. To demonstrate that the resources are there, suffice it to say that in 1986 the developed capitalist countries will save no less than $120 billion with the reduction of oil prices.

That amount would be sufficient to service the Third World countries' foreign debt this year. The less than one-third of one annual expenditures wasted in the military sphere would be sufficient to abolish the debt and face up to the cost of the New International Economic Order. For that reason, peace, disarmament, elimination of the foreign debt, and the New International Economic Order are inseparable.

If the statesmen of developed capitalist countries are incapable of seeing this, they would be acknowledging the anachronism, selfishness, and all the irrationality contained in their won economic and social system as well as their total incompetence in contributing to the solution of the problems of today's world.

We cannot sit back and do nothing. We must demand solutions, because we have the right to survive the dangers threatening us, and to live with dignity and peace. Jose Marti, the Cuban national hero, said something which could become this meeting's slogan: Rights are seized, they are not asked for; they are snatched, they are not begged for.

We represent the immense majority of humankind and should not beg for our right to life. We must be capable of snatching them.

Distinguished chiefs of state and government: The young states and national liberation movements attend these summits with the hope that their just causes will be defended. Very few times have so many expectations been brought to the attention of our meeting. From our continent have come representatives of El Salvador's FMLN, Guatemala's National Revolutionary Union, the courageous and militant people of President Allende. In El Salvador there have been more than 50,000 dead, victims of a ferocious repression. Guatemala, a country where there have been no cases of political prisoners, has reported 80,000 disappeared during the military regimes that followed the overthrow of the Arbenz government by the CIA in 1954. In Chile there have been thousands of murdered persons, disappeared, a people brutally repressed but willing to triumph over fascism. In Grenada, a country invaded to crush a revolution that had already liquidated itself; in Puerto Rico, a piece of Latin America colonized and occupied; in Paraguay, a fascist dictatorship which has already lasted more than 30 years.

Those are some examples of the fruit of U.S. meddling in our mistreated continent. In Latin America, wherever a genocide and corrupt government emerges, was the presence and support of the United States. Wherever there is a social reform, wherever the peoples want to be truly free, hostility, blockade, and aggression by the United States are always present.

Cuba, where a piece of its soil is still occupied by the United States and where it has endured thus far more than 25 years of brutal economic blockade, is an exceptional witness to this reality. Nicaragua, however, is the most recent and eloquent example of this brutal policy of the empire. It suffered almost 50 years of Somozist tyranny, a fruit of yankee military intervention. They had one closest and fullest support of the United States. The new Nicaragua, a fruit of its children's heroism, is enduring a dirty and blodfaced war of aggression. Its economy has been blockaded, its ports are mined. Thousands of mercenaries in the service of a foreign superpower invade its soil from Honduras, which has been transformed into a sanctuary for the counterrevolution, a foreign military base, and the U.S. Government's stepping-stone for attacking a brother nation. The dirty U.S. war has cost Nicaragua tens of thousands of lives and billions of dollars.

Latin America's efforts to attain peace in Central America through the Contadora group have dashed against the U.S. aim of mercilessly destroying the Sandinist revolution and liquidating the liberation movement in Central America. Openly and shamelessly as a slap in the face of the peoples of Latin America and the rest of the world, the U.S. Government recently adopted a budget of $100 million to continue its bloody adventure against Nicaragua, tramping on the verdict of the Hague international tribunal which categorically condemned such U.S. actions. But everything will be useless; there will never be a force capable of crushing the indomitable spirit and heroism of the Nicaraguan people, even if the tragic lesson of Vietnam has to be repeated there.

Nicaragua has offered its hospitable and heroic soil as the seat of the ninth summit. Supporting it would be a gesture of solidarity. Today Nicaragua is not only a symbol of the struggle for independence of a Central American country, it is also a symbol of the struggle for independence of the peoples of an entire continent, a symbol of the right of any Third World country to own its own destiny.

The British occupation of the Malvinas, territory of the Republic of Argentina, constitutes an affront to the American peoples. Latin American blood was shed there in a struggle against a NATO superpower which, as expected, had the support of the United States. Let no one be confused over the Malvinas: No nation has emerged there, as is the case of Guyana and Belize. There is no community there that longs for independence or autonomy. A handful of British people live there, people who feel British and who want to continue being British. It is a colonial enclave, a foreign possession, an occupied territory that must be returned to Argentina.

The Peruvian people have been victims of arbitrary IMF measures and are worthy of our most determined support. Panama expects our continuing support so that the Canal agreements are respected. Bolivia demands and deserves support in its just aspiration to an exit to the sea through territory that used to belong to it.

The Latin American peoples, in their yearning for freedom, in their just causes, expect the support and solidarity of the Nonaligned Movement.

In the Middle East and North Africa, Cuba has supported, is supporting, and will always support the just cause of the Arab peoples, victims of the imperialist and Zionist aggression. It firmly supports the OET [no further expansion] and makes the noble cause of the Palestinian people and their right to independence to their own motherland and national state. Ignorance of their rights cannot go on forever and peace will never be achieved in the Middle East so long as such monstruous injustices still remain.

We should support the sovereignty, unity, and peace of the courageous Lebanese people, Cyprus' integrity, and the selfless and admirable struggle of the Western Sahara people for their unquestionable and undeniable right to national independence. It is difficult to explain why the Saharan Democratic Arab Republic has not yet been incorporated into our movement. This country's people are fighting against the most modern weapons being supplied by Yankee imperialism to the foreigners occupying its territory.

The Arab nation of Libya recently was subject to a Nazi-type, treacherous and criminal lashing of ice people by the United States. We have witnessed how the U.S. Government is capable of using its most sophisticated arms to attempt to assassinate a chief of state and all his family. Our movment should energetically condemn such terrorist and infamous practices.

The war between Iraq and Iran, two member states of our movement, should never have begun. Unfortunately, all efforts aimed at finding a solution to this difficult and complex conflict have been futile. We should not stop our effort to attain peace there because of it, however, but should repair as much as possible the damage and wounds caused by that fraticidal conflict.

We wish to express our determined support for an all-out effort to find a politically negotiated solution to the problem of Afghanistan, based on the strictest respect for the country's sovereignty. Likewise, we support with all our strength the DPRK in its just and sacred struggle for the peaceful reunification of the country, artifically divided and partly occupied by the United States. We have said very clearly that the next Olympic Games should be shared by North and South Korea. Should it not be done this way, our country will not participate in that event, irresponsibly conceived to accredit one of the most repressive and discredited regimes in the world, totally ignoring the DPRK. Solidarity with that brother country in such legitimate aspiration should be made known.

Likewise, we join the just demand for an Indian Ocean free of foreign naval bases and nuclear arms.

I have left for the end of my speech, the issue of southern Africa.

We find ourselves here, not too many miles away from the sinister system of apartheid. On the other side of the border with Zimbabwe, toward the south, more than 25 million persons, the immense majority of the country's population, live deprived of the most essential conditions of human beings. From there comes news every day of atrocious murders perpetrated against the people.

More than 4 decades since the defeat of fascism and its racist theories, at a cost of the lives of more than 40 million persons, and on the threshold of the 21st century, a state is segregating its citizens and bases, its policies on racial discrimation. Added to that, racism is one most ferocious economic exploitation of the oppressed, discriminated against, and segregated masses. Apartheid is the direct result of the colonial system, of the brutal form with which the African peoples were forcefully deprived of their lands and natural resources, and their children enslaved and sold around the world.

Apartheid has been able to remain in power only because of the support given to it by the United States and NATO countries, which see in South Africa' a strategic ally, a source of raw materials, a market for their investments and juicy profits of the transnationals at the cost of the sweat and blood of millions of Africans. The U.S. Administration categorically refuses to accept economic sanctions against South Africa and systematically vetoes all agreements of the UN Security Council which would affect the Pretoria regime, while it increasingly blockades with greater rage small progressive or revolutionary countries such as Cuba, Nicaragua, Vietnam, Libya, and the DPRK.

Stimulated by the support offered by the U.S. Government's constructive engagement policy, South Africa not only challenges the entire world with continuing and hardening apartheid, but also maintains the occupation of Namibia and checks the independence of that colonized country in open disrespect for all UN resolutions and agreements. South Africa is organizing mercenary bands to destabilize the United States [as heard] and is carrying out surprise and treacherous attacks against Lesotho, Botswana, Zimbabwe, Zambia, and Angola. By continuously supporting subversive groups, South Africa has not complied with the Komati agreement it has with Mozambique.

The United States is using these subversive, destabilizing plans and introducing in Africa the ill-fated methods practiced in Latin America by openly and shamelessly aiding the UNITA [National Union for the Total Independence of Angola] bands in Angola. UNITA has a long history of cooperation with colonialists and imperialists. it was created by the Portuguese political police during the Angolan war of independence to sabotage the patriotic forces. South Africa tried to destroy Angolan independence and dismember the country in 1975 with UNITA cooperation. During the past 10 years, South Africa has used UNITA as an instrument in its dirty war against Angola.

When we were children, they told us in school that two things -- as well as a third -- were equal. Upon hoisting the same flag used by the UNITA bands and giving them common support, the U.S. and South African Governments express their similarity in ideas and proposals and they are on an equal level. What differences can there be between the Washington and Pretoria policies?

The U.S. Government considers the Palestinians -- evicted from the lands they occupied for thousands of years -- the admirable Saharan combatants, the brave ANC [African National Congress] fighters, the SWAPO [South-West African People's Organization] patriots, and the heroic Salvadoran and Chilean revolutionaries to be terrorists worthy of extermination. However, the UNITA bandits have destroyed entire villages of defenseless civilians without distinguishing among women, men, and children.

The mercenary Somozist bands, who serve a foreign power, are rogues who oppose any kind of peoples' and progressive process, but the imperialist government considers them to be distinguished patriots and strugglers for independence, worthy of U.S. aid. Is this or is this not facism? Is this or is this not racism? Is this or is this not cyncism?

Our solidarity with the African liberation movement and its heroic confrontations with imperialism, apartheid, and racism is not soley verbal. In the struggles against Portuguese colonialism, Cuban revolutionaries fought together with Amilcar Cabral and Agostinho Neto in Guinea-Bissau and Angola. Some of them gave their lives to that noble cause. When South Africa invaded Angola in 1975, occupying more than half of its territory, and despite the fact that an ocean separates Cuba from Angola, Cuban internationalist combatants along with their heroic Angolan brothers struggled against racist troops and drove them more than 800 km to the Namibian border, demonstrating to the world that South African soldiers, like Hitler's, are far from invincible. Despite the enormous effort this implies for our small country, a contingent exceeding tens of thousands of Cuban internationalist combatants have kept guard for 10 years along with the glorious Angolan Armed Forces to prevent the 1975 event from being repeated.

Our cooperation with Africa is not just military. More than 15,000 African youth study in our country without cost to them. Thousands of Cuban doctors, teachers, technicians, and workers give their services freely in this continent. More than 250,000 of our compatriots have completed missions in Africa as combatants or civilian collaborators.

This expression of solidarity, which is totally disinterested, disturbs the dreams of the Yankee imperialists and South African racists. They cannot conceive that countries that were conquered, colonized, and enslaved yesterday could today give such cooperation and raise a powerful barrier against aggression. The Yankee imperialists as well as the South African racists are doing everything possible so that Cuban Internationalist troops are withdrawn from Angola, making this a requirement for Namibian independence.

The Cuban and Angolan Governments have responded in joint agreement: Apply UN Resolution 435 on Namibia; cease the threats of aggression against Angola; cease the dirty war and support of the mercenary bands and the gradual and progressive withdrawal of 20,000 Cuban combatants who hold strategic lines in southern Angola will follow. The rest of the Cuban military personnel will be withdrawn only when the sovereign Governments of Angola and Cuba decide it is convenient and unconditional.

The real key to the matter is that, so long as apartheid exists in South Africa, so long as that country is governed by a racist and fascist government, there will be no security for Angola or any other country in southern Africa, and Namibia's independence will be nothing but a fiction. That is why I can state categorically that the presence of Cuban troops in Angola is based on principles; it is not motivated by any type of Cuba's national interest or prestige. When apartheid ceases to exist, when the fascist and racist regime of South Africa ceases to exist, no country will feel threatened.

Namibia will immediately be independent. Then there will be no need for a single Cuban soldier and the immediate and total withdrawal of Cuban troops from Angola will take place. Of course, Angola, whose sovereignty we respect and will always respect with absolute loyalty, can decide at any time if it needs our military personnel there. What I have expressed is simply our decision to maintain the troops in Angola so long as apartheid exists in South Africa. [applause]

I am sure that our summit, as an essential part of its contribution to the struggle for peace, development, justice, and our world's security, will give all its endorsement and immense political and moral support to the oppressed peoples of South Africa and Namibia, and its decisive contribution to the final battle against apartheid will be recorded by history. This monstrous regime cannot be reformed; it must be destroyed. Today it finds itself in insurmountable crisis. To the African National Congress and its selfless combatants and men and women of the heroic stock of Nelson and Winnie Mandela belong the glory of having inspired the unyielding struggle of the South African people and having demonstrated before the world that today, like yesterday, like tomorrow, and like always nothing will stop the march of history and no force in the world will be capable of chaining indefinitely human dignity and freedom. [applause] Thank you.

PRESIDENT SAYS OLYMPICS REQUIRES BOTH KOREAS

FL040032 Mexico City NOTIMEX in Spanish 2333 GMT 3 Sep 86

[Text] Harare, 3 Sep (ASIN-NOTIMEX) -- Cuban President Fidel Castro has said that his country will attend the upcoming Olympic Games only if they are shared by North and South Korea.

The Cuban leader noted that the olympics should be shared inasmuch as that event was irresponsibly organized to please one of the most repressive and unpopular regimes in the world. Castro added that the decision was made by completely ignoring the People's Democratic Republic of Korea and said solidarity with that country in its legitimate efforts should be made evident.

HAVANA COMMENTARY BACKS MANAGUA AS SUMMIT SITE

PA031310 Havana International Service in Spanish 2300 GMT 1 Sep 86

["Our America" commentary read by Norberto Hernandez]

[Text] The signs of solidarity and support Nicaragua has been receiving through its president, Daniel Ortega, who toured several African nations prior to his arrival in Zimbabwe, make one think of the possible failure of U.S. maneuvers to prevent Managua from becoming the site of the Ninth Nonaligned Summit.

Argentina and Peru, both members and possible candidates for hosting the 1989 meeting, have publicly stated that they will not block the Nicaraguan request because they feel Managua's nomination would greatly contribute to a political relief of the Central American crisis.

Nicaragua became a full member of the Nonaligned Movement in 1979, only a few months after the revolutionary triumph and during the Sixth Summit, which was held in Havana.

Nicaragua's presence in the movement gave renewed force to Latin American representation. Nicaragua's presence represented a people who had just been freed from a prolonged pro-North American tyranny and who had profound patriotic convictions as well as an excellent record in the service of the revolutionary cause. All this was in addition to a firm anti-imperialist and anticolonialist spirit, as well as love for peace and respect for the nonintervention principle.

The open U.S. aggression against Nicaragua, the growing U.S. presence in Central America, and Reagan's demented determination to put an end to the Sandinist process before he ends his second term have seriously complicated the problems of the region.

Central America is now one of the most critical and explosive areas on the planet and the Nonaligned Movement has ascertained this with particular concern.

In July 1983, at an emergency meeting, the Nonaligned Movement's Coordinating Bureau rejected both U.S. support for the armed counterrevolutionaries who have bases in Honduras and Costa Rica and Washington's efforts to foil the Contadora negotiations. In addition, the constant U.S. military exercises in Honduran territory were also condemned.

A year later, in March, the Nonaligned Movement condemned Washington's mining of Nicaraguan ports and the increasingly open White House sabotage of peace negotiations in the area. Last year, the Central American crisis was a reason for concern by more than 100 nonaligned nations. They were also concerned abut the intensification of U.S. maneuvers against the Contadora peace negotiations. Such maneuvers prompted the thwarting of efforts to sign a regional document, which was eventually only accepted by Managua, as a praiseworthy sign of its goodwill.

A declaration was approved in New Delhi from 16 to 19 April 1986, according to which the Nonaligned Movement clearly criticized the aggressive actions of the United States against the integrity and independence of Nicaragua.

In July, the Movement demanded that the United States abide by the ruling of the International Court of Justice which called for an end to U.S. aggressiveness against Nicaragua.

These actions show the constant concern of the Nonaligned Movement over a very explosive crisis. To allow Nicaragua to host the ninth summit would materialize the support given to the Sandinist revolution and would seriously contribute to finding political solutions in a region that many identify as a powder keg.

GRENADA

FORMER NNP MEMBER TO WORK WITH OPPOSITION

FL031846 Bridgetown CANA in English 1554 GMT 3 Sep 86

[Text] St Georges, Grenada, Sept. 3 CANA -- Phinsley St Louis, who quit the ruling New National Party (NNP) two weeks ago, has promised to work with other members of the opposition to evolve a common position on parliamentary issues.

St Louis, who served as deputy speaker of the House until his resignation, rejected charges from the NNP that he resigned because of dissatisfaction with his role in the party and government. ... I have never shown any desire of any ill-feeling as I have not been in a ministry, [said] St Louis, reacting to claims by NNP General Secretary Keith Mitchell that he quit because he disapproved of the level of esteem he enjoyed in the party.

St Louis said he would like to give up the position of Deputy Speaker to defend the democratic system more fully...from the floor of the House. But he said he would be careful in aligning himself with any other political party, even though he described his relations with other opposition members of the parliament as good.

I would hold discussions with them and, together, I hope we would be able to work to structure something so that when we go to parliament, we would be able to see things alike, St Louis added.

JAMAICA

MANLEY CHALLENGES SEAGA TO GENERAL ELECTIONS

FL021612 Bridgetown in English 1502 GMT 2 Sep 86

[Text] Kingston, Jamaica, Sept 2, CANA -- Opposition political leader Michael Manley has challenged Prime Minister Edward Seaga to test his government's popularity in a geneal election followng Seaga's attempt to downplay his party's defeat in July's municipal vote.

Seaga claimed that the ruling Jamaica Labour Party (JLP) lost recent municipal elections here only because thousands of JLP supporters declined to vote. Manley said in a statement that Seaga's assumption could be tested only by democratic elections. That test cannot be ignored because of assumptions, the People's National Party (PNP) leader said. It can only be passed or failed through a national examination by the people in the form of general elections.

In the local government elections, the PNP won 12 of the 13 municipal authorities, gaining 57 per cent of the popular vote on a 64 per cent voter-turn-out. But addressing a seminor here Friday of the Caribbean Democrat Union of which he is chairman, Seaga argued that the PNP's victory was not as significant as it appeared. The CDR is a grouping of rightist parties in the region.

According to Seaga, JLP supporters had stayed away from the polls to send the party a signal. Seaga said that in the July 29 vote the PNP hardly gained on the 350,000 votes it received in 1980 when the JLP was swept to power. The JLP total of 271,000 votes was well down on the 502,000 it gained in 1980. The 230,000 voters who this time did not cast their ballots for the JLP were sending their government a signal, said Seaga, who has recently relaxed unpopular austere economic policies. Communications is a two-way street, he said. In the process of dialogue, the people must be able to send their government a message and the government must respond. Seaga said he had asked his parliamentarians and party workers to do a survey of all constituencies and polling divisions to find out exactly why there was a low vote for the JLP. Seaga's claim that the PNP went all out in the election while his party did not put out much effort has also raised eyebrows here.

Analysts point out that Seaga and senior ministers, like top PNP officials, tramped the country during the campaign, bringing the atmosphere of a general election rather than a local government affair. They also pointed out that both parties spent heavily in media advertisement. Manley, in his statement, said he could understand Seaga making excuses for the defeat. If Mr Seaga's respect for democracy is not merely lip service, he must therefore obey the clear demand of the people and resign, Manley said.

SEAGA DEFIES IMF STRATEGIES FOR DEVELOPMENT

FL292354 Bridgetown CANA in English 2322 GMT 29 Aug 86

[Text] Kingston, Jamaica, Aug 29, CANA -- Prime Minister Edward Seaga today said Jamaica had deliberately run up its U.S. 70 million dollar payment arrears to the International Monetary Fund (IMF) as part of negotiating strategy for a new three-year agreement with the fund. Seaga, declaring that the fund had not had a single success story for its programmes, said that Jamaica has no intention of being added to the tombstone of IMF failures.

The prime minister's remarks to Life underwriters was the government's first response to news out of Washington this week of serious problems between the IMF and Jamaica over the arrears dating back to April. This week, opposition leader Michael Manley called for the resignation of the government.

Fund and U.S. multilateral agency officials were also concerned with Seaga's abandonment of his May budget of economic austerity measures. His move was in defense of a mission from the IMF, World Bank, and U.S. Agency for International Development (USAID) invited by Seaga to take a fresh look at the economy. Seaga was hoping that the mission would have agreed with the government's plan for expansion instead of the IMF's adjustments of tight demand management.

By its action, the Jamaica Government had in effect thrown out the U.S. 115 million dollar agreement signed in July last year with U.S. 73 million dollars still undrawn, bankers said. This held implications for Jamaica's relations with international creditors and plans to reschedule some of its U.S. 3.2 billion dollar foreign debt.

The prime minister said Jamaican officials had established that the missions report was riddled with errors of calculation and errors of assumptions. The end result is that today our discussions with the three agencies are based on a three-year programme prepared and submitted to them by the Government of Jamaica, and I go to Washington next week to conclude these discussions which have been going over the past several weeks, Seaga said. Let it be noted, he added, that the substantial accumulation of payment arrears built up the with IMF is a deliberate part of our strategy with the IMF.

Seaga said a single point separated the IMF and nis government from reaching an agreement. Without being specific, he said it was a point, however, on which he would not compromise. ...(It is a point on) which the IMF cannot on any basis justify and therefore the government needs to be equalled though in maintaining our position. This I intend to be, the prime minister said. The difference is believed to revolve around Fund demands for a further devaluation of the local dollar and for more cuts in public sector jobs.

Over the past three years, Seaga has chopped over 10,000 public sector jobs and the Jamaica dollar has moved from a rate of J1.78 dollars to J5.50 dollars for one U.S. dollar. The government has been arguing that the economy needed no more radical adjustments, and Seaga pointed to government economic reports for the first half of this year to show the economy was ready for growth. The stock market was booming, inflation was on the decline, he said. The central bank has reported that for the first half of the year the economy recorded a balance of payments surplus of U.S. 117 million dollars compared with a deficit of U.S. 148.8 million in the first six months of 1985.

This performance reflects a turnaround of U.S. 160 million dollars in our balance of payments and an improvement in the net international reserves of U.S. 126.7 million dollars over the corresponding period last year, Seaga said. But there has also been a fall in export earnings in the first half of the year, a decline in the industrial index of output and the fact that the improved balance of payments owed much to a decline in oil prices and also a compression of overall imports.

I am not attempting to suggest that the performance of all relevant sectors of the economy was as yet at a satisfactory level..., he said. But the fact that this performance provides adequate testimony to the efficacy of the combination of monetary, fiscal, and exchange rate policies which have been employed in bringing the economy to the point at which it stands today.

On the evidence, Seaga argued, the economy was not on a path of growth, not austerity and the IMF is not going to be allowed to change that. He added: The IMF has a consistent list of failures to its credit. It has never had a single case of success, much because it does not know when to shift its strategies from the negative to the positive, as in this case.

Jamaica has no intention of being added to the tombstone of IMF failures.

TURKS AND CAICOS

CANA REPORTS ADVISORY PANEL APPOINTED

FL031853 Bridgetown CANA in English 1651 GMT 3 Sept 86

[Text] Grand Turk, Turks and Caicos, Sept 3, CANA -- Opposition leader Clement Howell is among a four-member panel of advisers to Governor Christopher Turner appointed here in the wake of the assumption of direct rule by Britain.

Other members of the panel are Ariel Missick, a former government minister, Carlos Swan, a lawyer, and another former minister Emmanuel Missick.

The panel has very little power and their advice could be easily overruled by the governor.

Britain dismissed the colony's government in July charging malpractice and unconstitutional behaviour.

OFFICIALS REPORT INCREASE IN INVESTMENTS

FL032239 Bridgetown CANA in English 1946 GMT 3 Sep 86

[Excerpts] Grand Turk, Turks and Caicos Islands, Sept 3, CANA -- Turks and Caicos officials today reported an upsurge in investor interest in the British dependency, a month after the collapse of Chief Minister Nathaniel Francis government amid corruption charges.

Investors are getting the message that now is the best time to come over and the proposals are simply flowing, said Nigel Adams, staff officer at the governor's office.

In the past month, the interim administration headed by Governor Christopher Turner has signed agreements for a number of projects, including construction of a U.S. 10 million dollar Sheraton hotel, expected to start in October, a 25 million dollar marina and shipyard, and another 115 room hotel project. [passage omitted]

Meanwhile, politicians from Francis' former ruling Progressive National Party (PNP) and PDM have closed ranks and are demanding reactivation of the scrapped ministerial system of government.

The legislative council, lawmaking body for the colony, recently had its first sitting since the collapse of the government and officials cited in the report took part in the proceedings. Francis called for the report to be rediscussed. He also said the British Government had made an outrageous attack on his integrity and had taken downright advantage.

Skippings, the deputy PDM leader, said legal proceedings in the form of a court trial would have to be instituted for him to be banned from office. Government officials said a clarification of this issue is expected shortly, as well as the composition of the constitution review commission. [passage omitted]

BOUTERSE MISSES NONALIGNED SUMMIT DUE TO REBELS

FL031608 Bridgetown CANA in English 0912 GMT 3 Sep 86

[Text] Suriname's military leader Desi Bouterse has been forced to miss the non-aligned summit in Zimbabwe.

He has decided to stay at home in view of an insurgency by armed rebels in his South American country.

Foreign Minister Henk Herrenberg is representing Suriname at the six-day summit.

He is to ask Non-aligned leaders to condemn what he called Dutch support for the rebels, who began operating along Suriname's eastern border with French Guiana in July.

NETHERLANDS DENIES SUPPORTING TERRORISTS

FL292108 Paramaribo International Service in English 1730 GMT 29 Aug 86

[Text] The government of the Netherlands has categorically denied having anything to do with the (?actions) executed by the Brunswijk Gang last month. This denial follows [words indistinct] (?a demonstration) in paramaribo last Wednesday. The spokesman for the Dutch Government also said that there is no truth that Holland is hiring mercenaries.

Aid from Netherlands

FL301142 Bonaire Trans World Radio in English 1130 GMT 30 Aug 86

[Text] The Dutch Government is going ahead with plans to extend nearly half-a-million dollars in medical aid to Suriname with a possibility of another half million at a later date. The aid had been held up since the arrest of a Surinamese official in the United States charged with drug smuggling in South America.

FBIS

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ALFONSIN: NATION 'DEFENDS' NONALIGNED MEETING

PY042251 Buenos Aires TELAM in Spanish 0012 GMT 4 Sep 86

[Text] Buenos Aires, 3 Sep (TELAM) -- President Raul Alfonsin said today that during his stay in Zimbabwe, Argentina established its position and showed its concern on topics of particular interest, such as the Malvinas and Antarctic issues. Argentina also strongly defended the founding principles of the Nonaligned Movement.

This is what the president said tonight, shortly after his return to Ezeiza Airport from the Eighth summit meeting of the Nonaligned Movement. He added: The trip was tiring but everything went very well.

I think we have made our position known, he continued, we concerned ourselves with topics that particularly interest Argentina, obviously the Malvinas and Antarctic issues. We have established our position and once again expressed ourselves strongly in defense of the founding principles of nonalignment.

Asked if he believed Argentine efforts to help the Nonaligned Movement would succeed, Alfonsin answered: It is the Argentine position that is a movement of nonaligned countries, so if we accept its original basic institutions, we have to believe this.

About his meetings with heads of state of other countries during his stay in Harare, Alfonsin said: We discussed the general topics of the meeting, everything was important.

The ceremony of resuming the presidential powers that Alfonsin had delegated to Vice-President Victor Martinez before leaving on 31 August, took place at 2030 GMT in the VIP room at the airport.

Dispute With Peru

PY041921 Madrid EFE in Spanish 1517 GMT 4 Sep 86

[Text] Harare, 4 Sep (EFE) -- Peru and Argentine last night confronted each other in a committee, headed by Peru, which wrote the draft economic resolution of the Eighth Nonaligned Summit. Sources close to the Argentine delegation have expressed their "profound displeasure" over the economic committee's approval of an amendment proposed by the PLO.

The approved amendment opposes "any effort to give the occupying power, Israel, the status of member of any regional economic commission under the United Nations.

According to sources close to the Argentine Delegation, the amendment was approved by "mechanisms used by the presidency" of the committee which is headed by Peru. The same sources indicated that the amendment "contradicts the UN Charter."

The Peruvian president of the committee, Oswaldo Rivero, however, said that the amendment was submitted when the main Argentina delegate left the room and that the other member said nothing when the president asked if there was any opposition.

Rivero said he was very pleased with the work of the economic committee which this morning finished the final text of the resolution. Rivero also indicated that the committee was quick in discussing the issue thanks "to a work method that did work," in that it did not allow "diplomacy of paragraphs, only diplomacy of concept."

TV CHANNEL REPORTS ARREST OF CREW IN CHILE

PY050159 Madrid EFE in Spanish 0120 GMT 5 Sep 86

[Text] Buenos Aires, 4 Sep (EFE) -- The Argentina TV network ATC [Argentina Televisora Color] of Buenos Aires, tonight reported that "its news team was arrested in Santiago while covering the development of the Drive for Democracy."

During its newscast, "Hora 21" -- the TV network -- reported that "journalist Gjillermo Canepa, cameraman Mario Fazio, and assistant Jose Perez were first attacked this afternoon by repressive forces which are deployed along Santiago streets, and then arrested."

According to the report: "After an incident in downtown Santiago, the members of the ATC team went to the Pudahuel Airport in order to send to Buenos Aires the video recordings of today's incidents so they could be broadcast during this evening's newscast."

The newscast "Hora 21" indicated: "None of the airlines wanted to take the responsibility of taking the news material out of Santiago. But finally, our colleagues managed to get in touch with Eastern airlines, whose personnel accepted the video recordings."

The newscast announcer said: "Just as the members of our team were talking with an Eastern pilot, they were arrested by police plainclothesmen who also seized their videotapes, cameras, and lighting system." The announcer added: "Cameraman Mario Fazio managed to outwit the severe police surveillance and get in touch with us by phone to report what happened at the airport."

The program "Hora 21" held "the Chilean Government responsible for the physical well-being of Fazio, Canepa, and Perez," and asked the Chilean ambassador in Buenos Aires "to be kind enough to negotiate the immediate release of the Argentine journalists in the Chilean capital."

Anchorman Denies 'Arrest'

PY050254 Buenos Aires TELAM in Spanish 0224 GMT 5 Sep 86

[Text] Buenos Aires, 4 Sep (TELAM) -- Anchorman Carlos Campolongo, of the newscast Hora 21 -- broadcast by ATC [Argentina Televisora Color] -- has explained the reports from Chile on the alleged arrest of three ATC journalists were confusing. He said that first we were told they were under arrest and then that they had just been detained.

Speaking by telephone with TELAM, Campolongo said that at the Pudahuel Airport, when the three journalists -- Guillermo Canepa, Mario Fazio and Jose Perez -- were trying to arrange for someone to carry the material they had filmed to Argentina, they were approached by police. Campolongo said the Chilean policemen confiscated four 20-minute video cassettes and only journalist Guillermo Canepa was detained. He added that the cameraman Mario Fazio managed to avoid police surveillance and went to the Argentin Embassy while the third journalist, Jose Perez, also escaped.

Campolongo explained that after Fazio got in touch with the embassy, the problem was resolved and embassy officials accompanied Fazio to the hotel where he met with his two colleagues and they called up ATC to explain the situation. Campolongo reiterated that the initial confusing information indicated that the three journalists had been arrested. Later it was clarified that only Canepa had been momentarily detained. Campolongo went on to say that the alleged arrest of the journalists had been reported to the Argentine Foreign Ministry but since the incident was clarified the Ministry did not take any action.

During the first part of Hora 21 tonight, Campolongo reported the arrest. But in his telephone conversation with Canepa later, Canepa said he had just been detained. During the later conversation Canepa said he and his colleagues were safe and sound and the video cassettes had been confiscated by the Chilean Armed Forces, which promised to return them tomorrow at 0900 local time.

GENERAL RIOS ERENU DENIES UNEASINESS IN ARMY

PY041519 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1810 GMT 3 Sep 86

[Text] Rosario, 3 Sep (NA) -- Army Chief of Staff General Hector Rios Erenu today reaffirmed there is no uneasiness in the Army, but that there "is concern" over the nation's troubles. He stated that he does not share General Gorleri's reasons for requesting retirement.

Rios Erenu made these statements after swearing in General Ernesto Alais as commander of the II Army Corps.

Before traveling to Rosario, General Rios Erenu had said in Buenos Aires that General Gorleri's statements, "reflected his conscience and beliefs, which I do not share. But nontheless, I appreciate his loyalty and the sincerity of his judgment." Gorleri retired after expressing his disagreement with the handling of the trials of military personnel involved in human rights violations committed during the antisubversive struggle. "General Gorleri's statements reflect his feelings and honesty. His judgment will benefit the Army and the country," Rios Erenu stated.

When asked if there was restlessness among Army personnel, General Rios Erenu said: "We are experiencing the same problems as the rest of the country. We are suffering from the same general circumstances prevailing in the country. As well as with the aggravating circumstances of the antisubversive struggle and the Malvinas war being placed on our shoulders." "Anyway, all of this does not mean that there is restlessness. It means that there is concern. But, we are alert and we will help find the solution that the country really needs," he added.

Rios Erenu described the meeting he held the night before with Defense Minister Horacio Jaunarena as, "a routine meeting we usually hold every Tuesday and during which we specifically discuss subjects related to the situation of the Armed Forces."

Rios Erenu ruled out "any retirements or any reliefs," adding that General Gorleri's case "has nothing to do with the rest of the Army, in which everything is normal."

Commenting on the recent salary increase granted to military personnel, he said: "It was a salary adjustment we have been claiming for a long time."

Rios Erenu reiterated in Rosario that the word uneasiness does not exist in the Army, and stressed: "we are living through a phase of change in which the country is trying to overcome the negative consequences of the past: the political instability and the economic decadence."

He added: "As participants of the last military process, we have the responsibility of making the greatest contribution and sacrifice to reach our much desired objective of consolidating the institutional system and to overcome all the troubles inherited from the past which in some way or another hinder our national reconciliation and future." He pointed out: "Once the past is forgotten, we cannot be impeded from moving faster through the transition period."

General Alais was sworn in as commander of the II Army Corps in a strictly military ceremony that was held at 1100 in the parade ground of the 121st Communications Batallion in the presence of Santa Fe Governor Jose Maria Vernet. The usual formalities of the handing in of the commander's distinctive banner, reviewing the troops, and a final parade were performed during the ceremony.

General Rios Erenu demanded the troops obey the new II Army Corps commander and ended his speech with the words "subordination and courage," to which the soldiers replied, "to defend the country."

After the ceremony, the military authorities and the civilian and political representatives who attended met in the officers' dining hall for a snack.

BEDREGAL: TALKS WITH MINERS 'VERY POSITIVE'

PY050214 La Paz La Red Panamericana in Spanish 0000 GMT 5 Sep 86

[Text] Foreign Minister Guillermo Bedregal has stated that the talks being held with the Trade Union Federation of Bolivian Mineworkers [FSTMB] are very positive. In this regard, Bedregal expressed hope that the problems of the Bolivian mineworkers will be overcome in a few hours.

Asked about the 1,000 mineworkers who are holding a hunger strike in the various state-owned mining districts, the foreign minister said he hopes the talks will help end this measure.

Bedregal reasserted that the government is willing to make the appropriate reviews of the supreme decree establishing the reactivation of Comibol [Mining Corporation of Bolivia].

In conclusion, he stated that the government seeks to save Comibol, not liquidate it, but that the people must understand that the international tin crisis is contributing to the collapse of Comibol and of Bolivian mining.

Lechin Scores Paz, Vows Return

PY042351 Paris AFP in Spanish 2156 GMT 2 Sep 86

[Text] Paris, 2 Sep (AFP) -- During an interview with AFP in Paris, Bolivian Labor Confederation [COB] leader Juan Lechin Oquendo today said: I can give assurances that despite the difficult situation in Bolivia, the people will again win with the leadership of the glorious Trade Union Federation of Bolivian Mineworkers [FSTMB] and the COB.

Lechin learned of the state of seige in Lima before beginning a European tour, along with COB International Relations Secretary Victor Lopez, at the invitation of the ILO. Lechin, who has already visited Brussels, is now in Paris where he has met with French trade union and political leaders. He will go to the FRG and then to Geneva, where he will hold special meetings with ILO and human rights commission officials. He will also go to Rome, Madrid, Canada, Mexico, and Venezuela.

Lechin harshly criticized the attitude of the Bolivian Government, its refusal to hold talks with representatives of the workers, and the authoritarian character of President Victor Paz Estenssoro, whom he called an irreconcilable enemy of the workers. He added that the crisis will weaken the country, increase its dependency on U.S. imperialism, and worsen the people's famine, which has reached unbearable levels.

The government currently does not have the people's support. The government is being supported by the Congress, which does not supervise its actions; the judicial branch, which follows the dictates of the interior minister; and the repressive forces, Lechin said.

Concerning the tax law, he said: A few weeks ago we held a popular consultation. Despite the fact that we lacked resources, that it was a work day, and that the government tried to sabotage us, 1.4 million people voted. But in the election between Paz Estenssoro and former President Hugo Banzer only 900,000 people voted.

He stressed that Decree No 21060 -- which was enforced by the government thanks to its pact with dictator Banzer -- is completely unconstitutional and violates social laws.

From an economic viewpoint, Lechin said, the crisis dramatically affects all sectors. In the factory sector, dozens of factories have been closed and employment fell from 47,000 workers to 17,000, and it could diminish even further. Wages have been frozen at subhuman levels, and prices are not regulated. He added that the agricultural and livestock sector has also been seriously affected. Unemployment rates have reached levels that were not reached in the 1929 crisis. I dare to predict that the people will not pay the taxes levied by the government because the people will have to choose between paying taxes and giving a glass of milk to their children.

Lechin said: Paz Estenssoro's government has refused to hold talks with us, to listen to our emergency plan to reactivate the economy, a plan that was drawn up by the best experts of the COB and is completely viable. Paz is now calling for morality. However, he does not respect the Constitution and does not demand the same morality from his own ministers. Lechin was referring to the illegal exploitation of gold and silver mines 20 years ago by Planning Minister Gonzalo Sanchez de Losada, and to the $300 million owed to the state by the two transnational companies, which are exploiting the gas and petroleum in Bolivia.

Regarding the struggle against drug trafficking, Lechin said that the people responsible for this are well-known but are not being sought or jailed by the authorities. He demanded the departure of the U.S. troops who arrived in Bolivia to combat drug trafficking because their presence is an attack on the national sovereignty and humiliation of the people and the Bolivian Armed Forces. According to Lechin, the Bolivian Armed Forces by themselves are able to effectively combat drug trafficking.

In conclusion, Lechin stated he will return to Bolivia, perhaps clandestinely. It will not be the first time I have done so, he added. If the state of seige continues I will do my utmost to return to the country with Lopez to participate in the struggle of the workers and the Bolivian people to defend their rights, Lechin stated.

Hunger Strike; More Banishments

PY050424 La Paz La Red Panamericana in Spanish 0000 GMT 5 Sep 86

[Text] More than 700 mineworkers are holding a hunger strike. If repression continues, the talks may fail, FSTMB [Trade Union Federation of Bolivian Mineworkers] leader Simon Reyes said yesterday. He reported the arrest of six delegates who left the mining districts to attend meetings with the government. In the meantime, the human rights commission has reported that over the past few hours six trade union, university, and peasant leaders were banished.

At the present time, there are 64 people banished to inhospitable areas in northeastern Bolivia: 36 in San Joaquin and 28 in Puerto Rico.

Amid the insecurity prevailing among rank-and-file workers and the political parties and trade unions, the Bolivian Catholic Church continues its efforts to pacify the country, asking the government to provide a prompt solution to the problems of the mineworkers because of the shortage of staples, unpaid wages, massive dismissals, etc.

Defense Minister Luis Fernando Valle has accused the Catholic Church of being involved in a subversive plot by the extreme left to overthrow the government of Victor Paz Estenssoro. A similar charge was leveled by the government in Congress against Nicaraguan and Cuban clergymen, who reportedly clandestinely entered Bolivia. The Bolivian Episcopal Conference has sent a letter to the defense minister, asking him to supply evidence that Catholic priests are involved in subversive activities.

Msgr Luis Saenz stated today that we do not accept the comment that the church is subversive. We cannot be involved in political actions, much less in subversive actions because the pastoral agents only supplied humanitarian assistance to our brothers, the mineworkers, to the men who were hungry.

MIR FACTION CHANGES TO 'FREE BOLIVIA MOVEMENT'

PY042238 La Paz La Red Panamericana in Spanish 1700 GMT 4 Sep 86

[Excerpt] In a special ceremony this morning at the Legislative Palace, the MIR (Movement of the Revolutionary Left) faction known as Free Bolivia [MIR Bolivia Libre] changed its name. The ceremony was held in the presence of congressmen, reporters, and militants of that political organization.

As of today, this party is called Free Bolivia Movement [Movimiento Bolivia Libre]. The change is a political decision related to the situation in the country over the past few years.

Explaining this decision, Deputy Alfonso Perrufino stated this name was chosen because when this party was divided by the serious political errors committed by the MIR National Board during the UDP [Democratic and Popular Unity] regime, the objectives of the two factions changed radically.

Continuing with the old name harms the young and dynamic politicians who are supporting Antonio Aranibar in the Free Bolivia Movement, and so the name change has become imperative. [passage omitted]

MINISTERS COMMENT ON ANTIDRUG ACCORD WITH U.S.

PY041607 Brasilia Domestic Service in Portuguese 2200 GMT 3 Sep 86

[Text] Brazil and the United States will increase their cooperation to fight the trafficking in and production of drugs. They will now take care of the prevention and rehabilitation of drug addicts.

[Begin relay from the Brazilian Foreign Ministry by reporter Carmencita (Corte)] A new arrangement was signed in Brasilia today by Brazilian Foreign Minister Abreu Sodre and the U.S ambassador to Brazil.

The International Organizations Department of the Brazilian Foreign Ministry and the U.S. State Department International Narcotics Matters section will be responsible for implementing the agreement.

The budget for this joint task has still not been defined, but Minister Abreu Sodre stressed that whatever is necessary will be spent.

[Begin Abreu Sodre recording] This great evil has no boundaries. Therefore, we will reach agreements with other countries in order to obtain the most positive results possible.

This is not just a problem of a single country. It is a problem of nearly all the countries of the world. [end recording]

U.S. Ambassador Harry Shlaudeman said that the agreement marks a new phase in the increased cooperation between two countries with the same objective: to reduce drug consumption.

Justice Minister Brossard also participated in the signing ceremony.

[Begin Brossard recording] The agreement signed here today represents more progress in the fight against the drugs and narcotics problem at their different levels. [end recording]

This new cooperation agreement will remain in force for an unlimited time, and once a year the two countries will meet to evaluate the work that is being conducted in fighting drug trafficking and consumption. [end relay]

Meanwhile, Foreign Minister Abreu Sodre today guaranteed that U.S. troops will not participate in the fight against drug trafficking in Brazil as they are in Bolivia. He said that Brazil has sufficient Armed Forces and capacity to fight drug trafficking.

He admitted, however, that the agreement signed with the United States today will give greater freedom of movement for the U.S. agents who operate in Brazil with the Brazilian Federal Police.

NAVY MINISTER DENIES ABILITY TO BUILD ATOMIC BOMB

PY050207 Brasilia Domestic Service in Portuguese 2200 GMT 4 Sep 86

[Text] Navy Minister Henrique Saboya reasserted today in Rio de Janeiro that there is no definite plan for the production of enriched uranium to be used as fuel for the propulsion of submarines built in Brazil.

The minister stated that studies on nuclear energy being developed by the Navy with the cooperation of scientists at the University of Sao Paulo are aimed at a future project. He added that the fact that a nuclear-propelled submarine is to be built does not mean that Brazil already has the technology to build an atomic bomb.

DEBT RENEGOTIATION STRATEGY BEING PLANNED

PY041615 Rio de Janeiro Rede Globo Television in Portuguese 0210 GMT 4 Sep 86

[Text] A new strategy for the renegotiation of the Brazilian foreign debt is being studied, and Brazil will probably ask for new loans from international banks.

Finance Minister Dilson Funaro today met with Citibank President John Reed. After the meeting, Central Bank President Fernao Bracher stated that Brazil will renegotiate its foreign debt, which totals $105 billion, right after the IMF meeting at the end of this month, and it will seek new loans on the international financial market.

Late in the afternoon, John Reed, president of Brazil's largest creditor bank, paid a visit to President Sarney at Planalto Palace.

The visit was pleasant and cordial. The Citibank president did not talk with President Sarney about the $105 billion that Brazil owes. Instead, he chose to praise the Cruzado Plan and to guarantee that it will not be difficult for Brazil to find new loans aboard. He also referred to the reduction of the prime rate charged on loans.

'DRIVE FOR DEMOCRACY' INJURIES, ARRESTS REPORTED

PY042332 Paris AFP in Spanish 2224 GMT 4 Sep 86

[Text] Santiago, 4 Sep (AFP) -- According to police sources, 5 persons were injured and approximately 100 were arrested today in the initial hours of a new protest drive against General Augusto Pinochet's government. There were also clashes between demonstrators and police or military units, barricades and raids in Santiago suburbs, and bomb explosions.

Military patrols this afternoon moved into the workers neighborhood of Lo Hermida in southern Santiago. Together with Carabineros, these military patrols conducted raids and other operations to clear barricades and curb any possible outbreak of violence, according to AFP correspondents.

Military deployment was also heavy in the neighborhood La Victoria, where a soldier was shot under unclear circumstances. Somewhat earlier, a Carabinero was seriously burned in the neighborhood La Castrina when a bomb left by retreating demonstrators near a barricade blew up.

In Nunoz, a demonstrator had his right hand blown off by an explosive device, according to eyewitnesses. Two persons were shot in Vina del Mar, 140 km west of Santiago when a naval patrol fired at an armed commando group trying to rob a bus full of passengers.

Most of the persons arrested were demonstrators who were participating in street rallies in Santiago, in the main plaza, along Bernardo O'Higgins Avenue, or near Catholic University, where the police used powerful water hoses and asphyxiating gas. The demonstrators were shouting in unison: It will fall...it will fall, obviously referring to the military regime. You can feel it, you can feel it, Allende is here, shouted others, recalling socialist president Salvador Allende, who was overthrown by the military in September 1973.

There were also disturbances in Valparaiso, 140 km west of Santiago -- where some 30 persons were arrested -- in Valdivia, and in Punta Arenas, 2,500 km south of Santiago.

However, the government has stated that national activities were not upset by the nationwide strike called by the left-wing groups led by the Popular Democratic Movement (MDP). The strike was not joined by the labor unions that belong to the National Civic Assembly (ANC), or the moderate parties of the Democratic Alliance, who on 2 and 3 July organized, together with the left, a national strike during which 8 persons died and 600 persons were arrested.

Unlike the left-wing opposition, the ANC instructed its rank and file to stage peaceful demonstrations within the framework of a Drive for Democracy, to mark the day on which through 1970, Chileans voted every 6 years to elect a new president.

Despite the street demonstrations, public services and utilities, industries, airports, hospitals, railroads, and the large stage-owned copper mines -- which are the main source of income for Chile -- continued working. However, urban transportation declined markedly early this afternoon and stores in this capital began to close.

Correa: Stoppage 'Positive'

PY050120 Santiago Domestic Service in Spanish 2300 GMT 4 Sep 86

[Text] German Correa, leader of the unconstitutional Marxist Popular Democratic Movement [MDP] has irrationally described as positive today's acts of violence.

Although today's attempt to subvert public order left a toll of one dead, several seriously wounded, and many detainees, Correa described it as positive. However, he did recognize that today's violent stoppage lacked the rallying power of previous stoppages and that the mobilization was completely normal.

Israeli Diplomat Escapes Injury

PY050413 Paris AFP in Spanish 0403 GMT 5 Sep 86

[Text] Santiago, 4 Sep (AFP) -- A bomb exploded next to the car of the Israeli military attache, Colonel Saomon Eygozi, tonight but the police reported no one was injured in the attack.

The incident took place in Jeronimo de Alderete Street in eastern Santiago during a protest drive against General Augusto Pinochet's government. According to official figures, one person died, several were injured and more than 220 were arrested in the course of the drive. The government news agency ORBE reported that the bomb -- which went off near the car of the Israeli diplomat -- was thrown by an unknown person who escaped.

Subversive Weapons in Law School

PY050306 Santiago Domestic Service in Spanish 2300 GMT 4 Sep 86

[Text] Carabineros personnel today found a large quantity of subversive literature, Molotov cocktails, and chemicals inside the University of Chile Law School after a demonstration staged by the students.

The incidents, which began this morning when students blocked streets and threw Molotov Cocktails at pedestrians, slowed down in the afternoon. In the face of this vandalism, university officials requested police personnel enter the university to arrest the promoters of the incidents. The students escaped through side doors and no one was arrested.

Police experts found a large quantity of subversive literature inside the school as well as tire bursters, incendiary bombs, and chemicals.

Naval Patrol Kills Subversive

PY042323 Paris AFP in Spanish 2239 GMT 4 Sep 86

[Text] Vina del Mar, 4 Sep (AFP) -- An official communique reported this evening that a man was shot to death in Vina del Mar by a naval patrol during the protest drive organized by groups opposed to General Augusto Pinochet's government.

Alberto Vega Lopez, 21, was shot in the chest while trying with two armed accomplices to rob a bus full of passengers.

The official communique stated that another subversive was shot and wounded during the incident, while the third member of the commando group managed to flee from the patrol.

Carabineros Seriously Wounded

PY050412 Paris AFP in Spanish 0344 GMT 5 Sep 86

[Text] Santiago, 4 Sep (AFP) -- A Carabineros policeman was seriously wounded tonight by unidentified individuals who shot him while he was guarding the residence of a Catholic Church official. A group of individuals riding in a car attacked the policeman as he was guarding the residence of the Solidarity Vicariate secretary, Enrique Palet, in the wealthy Providencia neighborhood.

Another policeman, Ruben Nunez Godoy, was seriously wounded this morning by shrapnel from a bomb that exploded near one of the barricades in La Castrina neighborhood.

Two Carabineros and a boy were wounded when a group of demonstrators attacked a patrol car traveling through La Bandera, a working-class neighborhood. Corporal Moises Droguett was seriously wounded in the leg and thigh, and Luis Pastene Carrillo, 11, was hit in the arms and chest. The boy's life is in danger, according to a report from the police.

Barricade Bomb Wounds Policeman

PY041821 Paris AFP in Spanish 1804 GMT 4 Sep 86

[Text] Santiago, 4 Sep (AFP) -- Official sources have reported that a policeman was seriously wounded in Santiago when a bomb exploded at one of the barricades constructed today by opposition demonstrators in the working class area of this capital.

The incident occurred when a patrol of Carabineros were taking down the barricades in La Castrina district, of southern Santiago. The barricades had been put up as part of the Day for Democracy and the national stoppage organized by the sectors opposing General Augusto Pinochet's government.

Policeman Ruben Munoz Godoy was hit by the bomb's shrapnel. The bomb had apparently been left at the barricade by the demonstrators when they retreated from the police patrol.

Three other devices exploded in Santiago during the early morning hours of today. One of the devices damaged a subway train.

Calama, Rancagua Stoppage

PY050242 Santiago Domestic Service in Spanish 2300 GMT 4 Sep 86

[Excerpts] Colonel Victor Santander Veliz, governor of Calama, has reported that a criminal bomb attack has left the city of Calama without water. The bomb destroyed an intake pipe in Lequena and damaged a water main to the Chuquicamata mine. Col Santander said the emergency situation is now under control. [passage omitted]

It was also reported in Calama that three people were arrested in recent hours and that a large quantity of material showing how to carry out terrorist attacks was seized from them. It was learned from official sources that explosives and ammunition were found in an abandoned house in Antofagasta. [passage omitted]

Upon raiding the house, security personnel found 100 assorted cartridges, a 200-liter drum containing chemicals, time fuses, and subversive literature.

Isolated incidents which in no way disrupted normal activities were reported today in the 6th region. The following is a relay from Radio Nacional of Rancagua:

[Begin relay] Early this morning, a bomb attack on the railroad track in the Graneros area caused problems to trains going south. Except for this problem -- which was solved later this morning -- labor and commercial activities were normal in the 6th region.

At noon today, approximately 60 youths started a peaceful march at the Plaza de los Heroes. Singing the national anthem, they dispersed outside the courthouse. They shouted slogans and distributed leaflets, but the police did not intervene. Class attendance in the region stood at 75-80 percent. Transportation service has been normal. [passage omitted] [end relay]

POLICE SEARCH HOUSES, ARREST SLUM LEADERS

PY050337 Santiago Radio Chilena in Spanish 2300 GMT 4 Sep 86

[Excerpt] Personnel of the Investigative Department have searched the houses of many leaders of slum districts, and announced that the Interior Ministry today issued decree 61/23 ordering the arrest of many of these leaders.

Leaders of the Metropolitan Coordinating Board of Slumdwellers have told Chilena that the following leaders were arrested: Mario Araneda, vice president of the organization; Eugenio Valenzuela of the Davila neighborhood; Gloria Carvajal of the Salvador neighborhood in Renca; and Manuel Rodriguez Fuentealba, Andres Padilla Ballesteros, and Nelson Donato Guzman, of the Conchali neighborhood. The houses of leaders Enrique Nunez, Javier Saez, Claudina Nunez, Marcos de la Fuente, Jose Hidalgo, and Rene Tapia were also raided.

Enrique Nunez Estrella, president of the neighborhood unit 25 of Montijo Norte, said that his house was searched because he refused to support the 9 September rally. [passage omitted]

JUDGE REFUSES TO FREE CAUCE JOURNALISTS

PY050205 Santiago Domestic Service in Spanish 2300 GMT 4 Sep 86

[Excerpts] Judge advocate Rodrigo Gonzalez Vera has turned down a petition to release on bail CAUCE director Gonzalo Figueroa and journalist Ariel Poblete, who were charged with libel and with issuing threats against the Armed Forces.

This was disclosed by Judge Gonzalez himself, who noted that his ruling was based on article 373, section A, of the Penal Procedural Code, which provides that defendants cannot be released while some proceedings are still pending.

Asked if the weekly CAUCE could circulate normally, the judge said: It can do so. [passage omitted]

The judge said he is not considering any more arrest warrants. He said journalist Juan Jorge Faundes will also remain under arrest. [passage omitted]

INCOMMUNICADO STATUS ENDED FOR 21 DEFENDANTS

PY050317 Santiago Domestic Service in Spanish 2300 GMT 4 Sep 86

[Text] Judge advocate Lorenzo Andrade has ended the incommunicado status of 17 defendants involved in the case of the large arsenals discovered recently. Earlier, four defendants were also allowed to communicate with their lawyers and relatives.

It has been reported that 11 extremists who were also involved in the unloading and distribution of the weapons are still at large.

FURTHER REPORTAGE ON UP LEADERS' MURDERS

Claim Responsibility

PA041556 Bogota Television Service in Spanish 0000 GMT 4 Sep 86

[Text] This afternoon, 3 September, alleged M-19 and Pedro Leon Arboleda Group guerrillas occupied the Kennedy Radio Station in Bogota. After subduing five employees, they transmitted a recorded message in which they claimed responsibility for the murders of Leonardo Posada and Pedro Nel Jimenez of the Patriotic Union. The authorities arrived after the guerrillas had fled.

EPL Denies Involvement

PA050243 Bogota Television Service in Spanish 1730 GMT 4 Sep 86

[Text] Representatives of the EPL [Popular Liberation Army] -- the organization which, according to some reports, claimed responsibility for the attacks against the Patriotic Union, UP, -- have denied that this guerrilla group has anything to do with the murders.

[Begin recording] [Correspondent] Some newspapers have reported that the EPL, through a call to a radio station, claimed responsibility for the murders of the UP leaders.

[Unidentified person] We flatly deny any EPL involvement in the crimes against UP leaders. It is worthwhile noting that the (?PLA [Pedro Leon Arboleda Urban Guerrilla Group]) was formed in 1978. The only relationship between the two groups was in their use of one of our leaders, who was killed in action in Cali in 1974. [as heard].

[Correspondent] Do you mean to say that the EPL had nothing to do with those murders?

[Unidentified person] Absolutely. The Army has frequently employed a strategy of public misinformation. [end recording]

EDITORIAL SCORES RELEASE OF U.S. EMBASSY REPORT

PY041458 Asuncion EL DIARIO in Spanish 3 Sep 86 p 12

[Editorial: "The U.S. Embassy Report"]

[Text] Our newspaper recently referred to an extensive and controversial report whose origin was found to be the U.S. Embassy in Paraguay. This report, which basically deals with economic and financial issues, seems to contain preliminary conclusions U.S. Embassy experts have drawn from their analysis of the Paraguayan economy.

Our readers, however, may have noticed that the report was not restricted to the general picture of the Paraguayan economic situation, but that it dangerously ventures into some sort of futurology, making some predictions that cannot but cause concern, worry, disgust, and even irritation and discontent, depending on the various angles from which it is analyzed, or on the circles in which it is scrutinized. In this regard, just to note one aspect of the report, it is interesting to see that, concluding their analysis of monetary and financial matters, the presumed Yankee experts affirm, for instance, that our foreign reserves are dwindling to the point that the country might be forced to cease payments. In addition, the report tackles other topics through a dark loo king glass, topics regarding agricultural and industrial production, unemployment, salaries, inflation, the foreign-exchange and payments policy, int;ernational monetary reserves, the foreign debt, commercial activities, exports and imports, and so forth.

We will not argue the right of the U.S. Embassy to make its own evaluation of our country's economic, social, political, and financial situations in order to report its experts' conclusions to its government. But, it seems to us that allowing this report to be issued publicly with such fanfare is too much. It is risky, it is frankly unfriendly to a certain degree, and it is contrary to the elementary rules of diplomacy. This report should have been treated as an internal document of confidential character for the restricted use of the embassy and its government, not how it has been handled this time. It seems that the report, handled the way it was, is meant to criticize the actions of our government, before which the embassy represents the U.S. Government. More care should be exercized in handling documents of this nature, precisely to keep it from creating a situation that could be easily branded as unnecessary interference in the country's internal affairs, and more importantly, to prevent such reports becoming a bone of internal contention in a country like ours, where this material can promptly be used to fuel passions.

Ambassador Taylor appeared on television to explain publicly that the report was not intended to influence the Paraguayan Government, but to inform the U.S. government and U.S. businessmen. Nevertheless, the release of this report has actually caused a lot of surprise in many circles, because this not only does a disservice to cooperation and good relations between Paraguay and the United States, but works against them.

It seems opportune that the aforementioned considerations be taken into account so that this carelessness is not repeated.

GOVERNMENT FIRES, REPLACES CIVIL GUARD CHIEF

PY021618 Paris AFP in Spanish 1449 GMT 2 Sep 86

[Text] Lima, 2 Sep (AFP) -- It has been officially reported here that the Peruvian Government today fired Lieutenant General Carlos Barreto Bretoneche, superior director of the Civil Guard, because he publicly expressed disagreement with the unification of the police forces that was undertaken by Interior Minister Abel Salinas.

According to a Ministry resolution released today in Lima, Barreto was immediately placed on the retired list. He was replaced by General Alberto Bernedo Moscoso.

When the Day of the Civil Guard was celebrated on 30 August, Barreto asked the government during a public ceremony to allow members of the police forces to participate in the unification process, and he criticized the fact that the people who are participating in the process have nothing to do with the police forces.

NAVY MINISTER DENIES LINK WITH 'PIA VESTA'

PY042038 Madrid EFE in Spanish 0131 GMT 4 Sep 86

[Excerpts] Lima, 3 Sep (EFE) -- The Peruvian Navy Minister, Vice Admiral Willy Harm, said today in Lima that the Peruvian Navy has no links to the case of the Danish ship Pia Vesta, which was caught carrying arms cargo in Peruvian territorial waters early last June.

"The Navy has nothing to do with the Pia Vesta; I categorically deny any relation," said the minister in a press conference at the Government Palace, where he attended an official ceremony. [passage omitted]

Harm indicated that the Navy has offered all its support and cooperation to the Peruvian Congressional committee created to investigate and clarify the Pia Vesta case on which there has been much speculation. [passage omitted]

MINISTER DISCUSSES RETURN OF U.S. OIL FIRM

PY050138 Paris AFP in Spanish 1950 GMT 4 Sep 86

[Text] Lima, 4 Sep (AFP) -- Energy and Mines Minister Wilfredo Huayta has told the Senate that the Peruvian Government is willing to accept the resumption of negotiations with the U.S. Belco Petroleum Company, whose operations in the country were cancelled in December, and to discuss the possibility of the company returning to exploit Peruvian offshore deposits. In his fifth proposal on questions concerning the signing of petroleum agreements, Huayta said that there is no ban against the Belco petroleum consortium. If Belco representatives raise the possiblility of operating in the country again they might even negotiate a concession next to that of Petromar [a subsidiary of the state-owned PetroPeru enterprise operating off the coast of northern Peru], he said.

Huayta also reported the existence of an alarmist campaign, especially abroad, that seeks to discourage investment in the country's petroleum activities. Denying that Peru intends to expropriate or confiscate holdings of foreign companies, Huayta said that no U.S. company has been banned and that it is untrue that assets worth $400 million have been expropriated from Belco, whose contract was not renewed because the company disagreed with the terms.

CHANGES PROPOSED TO FISHING PACT WITH SOVIETS

PY050111 Madrid EFE in Spanish 0000 GMT 4 Sep 86

[Text] Lima, 3 Sep (EFE) -- The fishing agreement between Peru and the USSR expires tomorrow. It is regarded by some sectors as harmful to Peru and is the subject of controversy that has reached the Congress.

Senator Felipe Osterling, from the conservative Popular Christian Party [PPC], last night proposed to the Senate that the Peruvian-Soviet fishing agreement be denounced in order to introduce the necessary changes to safeguard the country's interests. Otherwise, said Osterling, it could be interpreted that the Senate wants the agreement extended until 1990 without changes.

Senator Osterling said that the USSR benefits from a yearly catch of 6 million tons of fish worth $1.8 billion. He stated that the Soviets have established a base in El Callao where they could dock from 250 to 300 ships, and that nearly 30,000 Soviet sailors arrived in Peru in 1984. The Senator said the Soviets' catch in no way benefits Peru, and it may have unpredictable consequences for the fish biomass in Peruvian waters.

Discussion of his proposal was postponed by the ruling APRA [American Popular Revolutionary Alliance] and the United Left blocs.

During the discussion, an incident occurred between Osterling and pro-Moscow communist Senator Jorge del Prado, who said that Osterling's position might be part of an offensive against the USSR in Peru. Del Prado charged the ultrarightists with attempting to create an atmosphere aimed at terminating the fishing agreement.

COMMISSION TO DEFEND HUMAN RIGHTS IN CUBA FORMED

PY031111 Madrid EFE in Spanish 0257 GMT 2 Sep 86

[Text] Montevideo, 1 Sep (EFE) -- The Cuban dissident writer Rafael Valladares today presided over a meeting here, during which was created the Uruguayan Commission for Human Rights in Cuba, a branch of Amnesty International.

Valladares, who is visiting Montevideo for the second time in the last 6 months, addressed the meeting at which the movement was created, to report the existence in Cuba of "more than 14,000 political prisoners, and a systematic persecution of all religious ideologies."

The Cuban writer pointed out that the world "severely condemns the rightist regimes, but says little on what is occurring in Cuba," and emphasized his rejection of "any kind of violation of human rights, no matter who is responsible."

FPMR LEADER TORRES INTERVIEWED ON CHILEAN SITUATION

PY302153 Paris in Spanish 1847 GMT 30 Aug 86

[Text] Montevideo, 30 Aug (AFP) -- Roberto Torres, leader of the Manuel Rodriguez Patriotic Front [FPMR], stated here that justified violence in Chile is the ultimate alternative to defend the people from General Augusto Pinochet's regime, and the recent kidnapping of a colonel in Santiago was really a call to the military sector that is now repressing the people.

In an interview granted to AFP, Torres, who said he was the FPMR representative abroad, stated that the Chilean dictatorship is facing a process of total isolation, besieged by the opposition that has gathered around the National Civic Assembly. Torres, who said that he left Chile clandestinely 6 days ago and is now in Montevideo making a tour through Europe and Latin America, termed absolutely false the reports that link the FPMR with the subversive arsenals discovered this week by the Chilean security services.

President Pinochet stated on Thursday, 28 August, that those weapons were earmarked to create a civil war, and that they weighed more than 50 tons and were worth approximately $10 million. The arsenals that were supposedly discovered are in line with the government's current need for false arguments like this, because to smuggle hundreds of tons of weapons through one single point ridicules the regime more than those who allegedly introduced them, Torres stated.

According to the FPMR leader, these arguments seek to put pressure on the Armed Forces where there are signs of uneasiness, especially after the defection of some members to the FPMR.

Torres contended that the FPMR maintains direct relations with the military in the different branches of the Armed Forces, and that these relations have awakened a certain level of affection toward the FPMR. He said that dozens of military officers on active duty, enlisted personnel, and carabineros have been recruited by the rebel group, and have joined those who after the coup d'etat were purged from the Armed Forces.

Torres said that the recent kidnapping of the colonel, chief of protocol of the Santiago garrison, represents a call directed at the military sector that is today repressing the people, because within the Armed Forces there are patriotic military officers who have agreed to put an end to dictatorship.

Torres said that dictatorship with or without Pinochet is equally detrimental to the possibilities of achieving real democracy, and warned that the Chilean president is a danger not only internally but for all Latin America. The FPMR leader denied that his group is a guerrilla movement and rejected the possibility that it is operating like an armed branch of the Chilean Communist Party or of any other party.

He said that the FPMR includes communists, socialists, ecologists, Christians, and the independent, and added: "We are organized in all regions of the country. We do not represent an alternative to any political party of the opposition that may be acting in Chile, and our idea is not that of a guerrilla group or of a group of enlightened messiahs who seek power," Torres stated. He added: We are not against, but are skeptical about a negotiated solution.

Referring to the criticism made by Gabriel Valdez, Christian Democratic Party representative, to the alternative of violence proposed by the FPMR, Torres said that this does not undermine dialogue among opposition groups, but that the exclusive positions are damaging the sectors confronting Pinochet.

Torres, who held meetings in Montevideo with leaders of the Uruguayan left, stated that the armed movement has representatives in France, Italy, Belgium, Denmark, The Netherlands, England, the FRG, and Spain. In Latin America, it has representatives in Venezuela, Mexico, Panama, Costa Rica, Colombia, and Uruguay.

Torres left over the weekend for Mexico to continue the tour that includes the FRG, Great Britain, and Belgium.

PAN, PSUM DEMAND EXPULSION OF DEA, CIA, FBI

PA050159 Mexico City EL UNIVERSAL in Spanish 29 Aug 86 p 11

[Article by Manuel Ponce]

[Excerpts] The PSUM [Unified Socialist Party of Mexico] and the PAN [National Action Party] have demanded the expulsion of DEA, FBI, and CIA agents, as well as other secret policemen operating in our country under diplomatic protection. In addition, they noted that the Mexican Government must explain the extent of the activities of diplomatic representatives accredited by the embassies and consulates in our country.

They noted that the case of DEA agent Victor Cortez demonstrates that a large number of police agencies and organizations are operating in our country protected by diplomatic immunity, and this violates the Mexican Constitution.

In view of this, they demanded that the Chamber of Deputies appoint a multiparty commission to investigate this situation to avoid further violation of our laws.

Gonzalo Altamirano Dimas, PAN deputy and spokesman, as well as Cuauhtemoc Sandoval, a member of the PSUM Central Committee and the party's International Department, said that worst of all the Mexican Government is aware of this situation, and nothing is being done to prevent it.

Interviewed by EL UNIVERSAL, they said this situation is inadmissable and above all that the pertinent authorities are not exercising any control over it.

They also noted that the response of the Mexican Foreign Secretariat to the protest note sent by the U.S. State Department is a tacit acknowledgement of the action of various police organizations in our country. [passage omitted]

Sandoval expressed the need for the Mexican Government to enforce what was stated by the Foreign Secretariat: That the embassies and consulates in Mexico abide by our laws, and the government prevent diplomatic representatives from carrying out secret police duties.

PAN Deputy Altamirano Dimas agreed with Sandoval and stressed that these agents' actions are illegal and demanded that the authorities put an end to this as soon as possible [passage omitted]

Altamirano Dimas said that the Mexican people must be informed about any secret agreements on police cooperation and added that the case of Victor Cortez as well as the murder of Enrique Camarena are clear proof that the Mexican Government exercises no control over the activities of these organizations.

EL SALVADOR

COPREFA COMMUNIQUE REPORTS AUGUST ACTIVITIES

PA032143 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 1 Sep 86

[Coprefa communique]

[Text] The following is a summary of the actions that took place in August throughout the country. As a result of the various military actions of counterinsurgency, it has been determined that 91 terrorists were killed, 138 were wounded, 23 surrendered, 5 were captured, and 155 peasants were rescued. In addition, the following was seized: 182 rifles of various calibers, 1 RPG-2 rocket launcher, 2 M-1 Carbines, 1 12-gauge shotgun, 6 pistols, 52 grenades, 21 LAW rocket launchers, 12 grenades for RPG-7, 30 blocks of TNT, 553 devices for manufacturing explosives, 16 radios, 500 containers for manufacturing mines, and 1 M-60 machine gun.

In various terrorist actions, the FMLN groups murdered 55 civilians, wounded 48, and kidnapped 56 persons. They also placed explosive traps, which they call people's mines or revolutionary mines, that killed 4 civilians and wounded 31.

The terrorist groups continue to destroy the national economy as they attacked 30 vehicles, 1 Chrysler water truck, 1 cargo train, 1 power shovel, 1 bulldozer of the Public Works Ministry, 1 substation of the Lempa River Hydroelectric Executive Commission at the Ateos-La Libertad hamlet, and 1 gasoline station.

SECTORS DOUBT REBEL TALKS WILL BE HELD

PA042225 San Salvador LA PRENSA GRAFICA in Spanish 4 Sep 86 p 2

[Text] The third round of talks in Sesori, San Miguel Department between the government and the FMLN-FDR has entered a phase of doubt.

Msgr Arturo Rivera y Damas said last Sunday that a meeting will be held in San Jose, Costa Rica on 15 September, prior to the third round of talks scheduled to take place on 19 September in Sesori. The prelate's announcement was taken very seriously by authorities and the national and international press. Representatives of various sectors of the media traveled to Sesori to get acquainted with the town and plan their trip on the day of the dialogue.

However, last Monday the FMLN-FDR through its spokesmen denied that a date and place had been set for the meeting announced in the Costa Rican capital by Msgr Rivera y Damas. The spokesmen said that in due time the place and hour of the preliminary meeting will be announced and that no one has been authorized to make statements to this effect.

Distrust

Within private, professional, and political circles there are doubts regarding the third round of talks due to growing rumors of doubt and false alarms regarding confrontations, etc. In international press circles, doubt can be detected in the reports and information given due to FMLN-FDR statements broadcast on a clandestine radio station.

ARMY REPORT CLAIMS REBELS DRIVEN FROM SESORI

PA050153 San Salvador EL MUNDO in Spanish 3 Sep 86 p 1

[Text] San Miguel, 3 Sep -- Col Miguel Antonio Mendez, commander of the 3d Infantry Brigade stationed in this city, confirmed yesterday afternoon that heavy clashes have been taking place 5 km from Sesori and that as the result of their professionalism and logistics the Armed Forces had succeeded in forcing the FMLN guerrillas to withdraw to a distance of 10 km from this city.

He also said that, as we reported yesterday, 3d Brigade and Arce Battalion elements have been fighting in this area. The latter unit is under the direct command of Col Mauricio Estaben. Col Mendez further said that, despite the torrential downpours in the country's east, the Army has continued its combings to keep the rebels away from the Sesori area. He added that yesterday some rebel columns began to fall back toward San Gerardo, San Luis de la Reina, and Nuevo Eden de San Juan, while others moved in the direction of Cacaguatique Hill and Torola, where elements of Military Detachment No 4 stationed in San Francisco Gotera in Morazan Department remain ready to confront them.

Col Mendez said he expected the situation in the Sesori area to return to normal today. The Armed Forces fully control the Sesori area. Meanwhile, members of an intergovernmental committee are working intensely in preparation for the third round of talks. The meeting is scheduled for 19 September.

The commander of the 3d Brigade said that work is continuing as usual in Sesori and that the restoration of communications and other services is near completion.

It has also been reported that rains were heavy throughout the eastern area last night and that rivers are considerably swollen. However, no flooding has been reported.

REPORT ON MSGR RIVERA Y DAMAS' MEETING WITH REBELS

PA050216 Panama City ACAN in Spanish 2313 GMT 4 Sep 86

[Text] Panama City, 4 Sep (ACAN-EFE) -- According to rebel sources, Salvadoran guerrillas discussed with the archbishop of San Salvador the efforts to release a colonel who is in rebel hands. The rebels also delivered a proposal for a private meeting with the government.

Salvador Samayoa and Jose Mario Lopez met with Msgr Arturo Rivera y Damas in this capital yesterday in a very private meeting and they disclosed details of the meeting to ACAN-EFE today.

Colonel Napoleon Avalos, director of El Salvador's Civil Aeronautics Office, was captured by rebel forces on 26 October 1985 when he was going to a farm he owns in Cuscatlan Department, in El Salvador's central region.

In July, the guerrillas stated they were willing to release the military officer in exchange for political and union leaders who were in jail and for this reason, they asked human rights organizations to draw up a list of these prisoners.

According to Samayoa, the list was made up of 940 people, but in the end it was reduced to 23. In view of this, yesterday, the guerrillas asked Rivera for the criteria used to set the list at this number. The rebels insisted that, contrary to previous cases, the FMLN is not proposing the exchange of an officer for "companeros" being held by the Army, but by prisoners without any rebel ties.

Samayoa and Lopez said that another topic studied with Rivera y Damas was the rebel refusal to hold a private meeting with the government in Costa Rica to prepare the third round of the peace talks, scheduled for 19 September in Sesori, in eastern El Salvador. The archbishop of San Salvador stated on Sunday that this private meeting was to be held in Costa Rica, in the first half of September, but the guerrillas stressed that rebel fronts were not consulted about the location and for this reason they ruled it out because they felt it was a "burned out" option.

In their meeting with Rivera, the FMLN representatives presented other alternatives to the private meeting and gave the government 72 hours to respond. However, the leaders did not disclose the countries they would be willing to go to to hold the meeting prior to that in Sesori. "We cannot disclose it until an agreement has been reached," Samayoa said.

In this private meeting, the two sides must make decisions about the agenda, security measures, and the presence of observers at the Sesori meeting. In addition, the guerrilla leaders said that they gave Rivera their protest over the militarization of Sesori by Army troops.

"We cannot permit that the meeting be held under those conditions," Samayoa stated.

The FLMN members view the conflictive Sesori sector as disputed territory and feel that the Sesori meeting depends on an agreement on the security arrangements.

FMLN-FDR NOTES DELEGATION TO HARARE SUMMIT

PA030354 (Clandestine) Radio Venceremos in Spainsh to El Salvador 0000 GMT 3 Sep 86

[Press communique issued by the FMLN-FDR, dated 2 September]

[Text] We inform our people and the international press of the following:

1. A delegation of the FMLN-FDR composed of companero Dr Guillermo Manuel Ungo, Ruben Zamora, and companero Commander Shafik Jorge Handal, are in Harare, capital of Zimbabwe, where the Eighth Nonaligned Summit is being held, in response to an invitation extended by the government of that country.

2. Our delegation will remain in Zimbabwe from 27 August to 7 September, fulfilling political and diplomatic commitments.

3. The nonaligned summit is being attended by chiefs of state of member-countries and Third World countries, and is a forum that knows of the struggles of the people, because many national liberation movements are participating as observers.

[Signed] Executive Committee of the FDR, FMLN General Command, El Salvador, 3 Sep 86

HONDURAS

GROUP CLAIMS ARMY KIDNAPPING CONTRA OPPONENTS

PA041912 Managua Radio Sandino in Spanish 1750 GMT 4 Sep 86

[Text] The Honduran Army is participating in the secret kidnapping of Honduran citizens who voice their opposition to the presence of Somozist counterrevolutionaries in Honduras. This was charged by the Honduran Committee of Social Organizations [Comite Hondurena de Organizations Sociales] which includes labor and peasant factions, among others.

The representatives of the committee blamed the kidnappings on Battalion 316, which was especially created to repress the opposition and which is directly under the chief of the General Staff of the Honduran Armed Forces commanded by General Humberto Regalado Hernandez.

Gladys Lanza, president of the Honduran Committee of Social Organization, has charged that the rightist officers of the Honduran Army already have their blacklist of people who will become their victims, something that presages an increase of the repression in Honduras.

NICARAGUA

SANDINISTS REPORTEDLY 'KIDNAP' PLI LEADER

PA050310 Panama City ACAN in Spanish 0207 GMT 5 Sep 86

[Text] Managua, 4 Sep (ACAN-EFE) -- A leader of the opposition Independent Liberal Party [PLI] was arrested by the Sandinist police and taken to an undisclosed location, the PLI reported today.

The detainee is Bayardo Guzman Martinez, the third national vice president of the PLI, the second force in the parliamentary opposition. Top PLI leader Virgilio Godoy said that "seven state security agents violently kidnapped Guzman from his own home (in the eastern city of Masaya), and took him to an unknown location."

Guzman Martinez's detention took place yesterday morning, the source said.

The incident "constitutes a gross reprisal against the PLI because of the efforts it has been making along with other parties in favor of the national dialogue," Godoy said. The liberal leader pointed out that approximately 100 PLI members and intermediate leaders "are being held at various prisons" throughout the country.

Godoy insisted that these incidents demonstrate "the governing party's lack of political willingness to seek peaceful solutions for the acute crisis affecting Nicaragua."

Godoy demanded the "immediate release" of the PLI leader, and an "end to the persecution of PLI members, whose only crime is civil disagreement with the policies and conduct of the FSLN and its government."

"We do not know where Guzman Martinez is, or what he is accused of. The case is very mysterious," the PLI national president told ACAN-EFE.

INTERIOR MINISTRY GUARANTEES RIGHTS OF PARTIES

PA050259 Managua Radio Sandino in Spanish 1930 GMT 4 Sep 86

[Text] Interior Minister Commander Tomas Borge Martinez today guaranteed freedom of movement, without requesting previous permission, for all parties represented in the National Assembly. In a communique, Interior Minister Borge stated the following: For the sake of improving the work to draft the constitution, the political parties participating in the debates will be guaranteed total freedom of movement to do their work. The political parties have been guaranteed access to all communications media -- press, radio, and television -- to freely express their views regarding the constitution. The latter was ratified by the Communications Media General Directorate in a communique released today.

[Begin recording] [Unidentified correspondent] In accordance with our government's pluralist nature and in order to maintain the ample freedom of imformation and discussion that has surrounded the constitutional process, we inform our people of the following:

That the political parties represented in the National Assembly and participating in drafting the constitution are guaranteed freedom of movement without having to request previous permission.

Likewise, we reiterate the right of the political parties, members of the National Assembly, to use the social communications media to express, without any type of censorship, their ideas and views regarding all constitutional matters.

Following the orders issued by the Interior Minister, all the Interior Ministry offices are ordered to guarantee the strict enforcement of the above mentioned.

Issued in Managua on the 4th day of the month of September, 1986. [end recording]

NATIONAL ASSEMBLY ISSUES COMMUNIQUE ON CONSTITUTION

PA021930 Managua Radio Sandino in Spanish 0000 GMT 2 Sep 86

[Communique issued by the Press and Public Relations Directorate of the National Assembly on 1 September in Managua]

[Text] The Press and Public Relations Directorate of the National Assembly reports to the Nicaraguan people the following:

1. On Tuesday, 2 September, the National Assembly Secretariat will deliver to the members Constitutional Advisory Commission the ruling of the first draft of the political constitution of 21 February 1986 for its revision, approval, and signature of Friday, 5 September.

The ruling also contains a new proposal that incorporates all the modifications approved by the commission.

2. The president of the Constitutional Advisory Commission will present the ruling to the plenum of parliament during the session on Tuesday, 9 September, to be analyzed by the representatives and to begin discussions in its general and specific points on 16 September 1986.

Beginning on that date, the National Assembly will hold weekly sessions Tuesday to Friday to discuss the ruling on the draft of the political constitution of Nicaragua.

3. Reports on the development of the Assembly sessions will be provided with absolute freedom until the new constitution is approved.

Twenty-five years later. All weapons against aggression.

OPPOSITION LEADERS VIEW REJECTION OF PROPOSALS

PA021717 Managua Radio Sandino in Spanish 1930 GMT 1 Sep 86

[Text] In a press conference, the secretary generals of five opposition parties have reported that acting President Dr Sergio Ramirez Mercado and Parliament President Commander Carlos Nunez Tellez have rejected a document drafted by the secretary generals.

According to the opposition leaders, the document stresses the need for a national dialogue involving all political forces in the country, including a suspension of constitutional debates while preparations are made for a round of dialogue involving the five parties -- that is, a temporary suspension until national consensus agreements are reached.

The proposal of the five parties -- the Democratic Conservative Party of Nicaragua [PCDN], Independent Liberal Party [PLI], Nicaraguan Socialist Party [PSN], Communist Party of Nicaragua [PCDEN], and Popular Social Christian Party -- states that constitutional debates can be resumed on 3 November, because according to the agenda presented, that date would mark the resolution of differences between the parties and the FSLN.

As is known, the FSLN has said on various occasions that the only valid interlocutors are parties represented in the National Assembly, because although other parties hold legal status, they lost their political leverage [espacio] when the decided to abstain from participating in the elections.

President Daniel Ortega reaffirmed this position on 27 June when the U.S. Congress approved financing for the counterrevolution. He said that the only dialogue that will be allowed in this country is the one being carried out within the parliamentary debates.

According to the secretaries of the signatory parties -- Dr Virgilio Godoy of the PLI, Dr Gustavo Tablada of the PSN, Eli Altamirao of the PCDEN, Mauricio Diaz of the PPSC, and Dr Cordova Rivas of the PCDN -- they have not yet defined the strategy to be followed if the FSLN and the government do not consider the proposal presented by them. They pointed out that reaction to that step would be one that each political force will assume in keeping with the guidelines of each party.

However, they acknowledged that the most recent PSN congress, the top partisan organization, decided to participate in constitutional debates. The PPSC said that it is studying the possibility of definitely withdrawing from constitutional debates.

Meanwhile, the FSLN, through National Assembly President Commander Carlos Nunez Tellez, affirmed that the Nicaraguan people will have a constitution by the end of this year with or without the participation of other political parties, because the FSLN bears the greatest responsibility as the ruling party.

You will now hear part of the proposal presented by the five opposition parties to the government of the Republic and the parliament president:

[Begin unidentified spokesman recording] To obtain credibility and prestige, we believe it is appropriate to review the following:

A. Discussion and approval of the political constitution must be a profoundly democratic process involving participation of all political parties, absence of press censorship, access to state media by all constituent parties in equal terms, and guarantees of full freedom to act and participate in political mobilizations.

B. The constitution to be drafted must be in keeping with national consensus agreements that must be reached to achieve peace, overcome the crisis, and save the fatherland.

The principles mentioned in point A are conditions inherent in any constituent process and (?those in point B) are a demand in keeping with the difficult situation facing Nicaragua.

However, our constitution is an orphan of such conditions and demands. That is why we felt the need to make these suggestions. [end recording]

Assembly Denies Proposal Presented

PA041735 Managua BARRICADA in Spanish 2 Sep 86 p 2

[Communique issued by the National Assembly's Press and Public Relations Directorate in Managua on 1 September]

[Text] Press Communique No 20

The National Assembly's Press and Public Relations Directorate announces the following to the Nicaraguan people:

1. Since there have been several news reports regarding a meeting between a block of five political parties represented at the National Assembly and the president of that assembly, we wish to clarify that up to this moment there has been no official request to hold this meeting. Therefore the meeting has not taken place nor has one been scheduled.

2. In addition, we report that this morning representatives of several political parties delivered a letter addressed to the National Assembly's president at the parliament's reception desk, just as any Nicaraguan citizen may do.

Managua, 1 September, 1986.

"After 25 years, all arms against the aggession."

National Assembly's Press and Public Relations Directorate.

PSC SUPPORTS DIALOGUE WITH GOVERNMENT

PA041333 Panama City ACAN in Spanish 2218 GMT 3 Sep 86

[Excerpts] Managua, 3 Sep (ACAN-EFE) -- The opposition Social Christian Party [PSC] today joined the call of five political parties represented in congress to hold a national dialogue with the ruling Sandinist Front.

Julio Ramon Garcia Vilchez, vice president of the PSC, told ACAN-EFE that a "dialogue" among all the country's political forces would help "resolve the national crisis." Garcia Vilchez explained that the call for a "national dialogue" made 5 days ago by five of the seven parties represented in congress coincides with the "Proposal of Managua" made by his party on 7 August. [passage omitted]

The leader of the PSC, which is not represented in congress and did not participate in the 1984 elections, said that the "Proposal of Managua" called for "national dialogue" on 14 September, which was ignored by the government.

In this document the PSC proposed to the FSLN a dialogue with the church, political parties, labor unions, and private enterprise. [passage omitted]

Garcia Vilchez said that his party "is always calling for national unity to find a solution to the crisis that is encumbering this Central American country." [passage omitted]

PLI PRESIDENT DENIES MEMBERSHIP IN UNO

PA040429 Panama City ACAN in Spanish 0205 GMT 3 Sep 86

[Excerpts] Managua, 2 Sep (ACAN-EFE) -- Nicargua's opposition Independent Liberal Party [PLI] today denied that it belongs to the anti-Sandinist Nicaraguan Opposition Unity (UNO).

PLI President Virgilio Godoy accused the Sandinists of publishing a UNO document in which the PLI's acronym appears in a local newspaper, in an attempt to "weaken" the five opposition parties' demand to "suspend" the constitutional debates.

Godoy denied that his organization signed the UNO document published today in the progovernment EL NUEVO DIARIO.

Huge Mejia Briceno, president of the National Assembly of Political Parties, had the anti-Sandinist forces' document published in the morning paper; the document also appeared in Costa Rica's LA NACION on 19 July 1986.

The document is signed by the Revolutionary Armed Forces (FAR) The Democratic Revolutionary Alliance (ARDE), and the Nicaraguan Democratic Force (FDN), and the acronyms of the PLI, Social Christian Party, Social Democratic Party, Nicaraguan Conservative Party, and Higher Council of Private Enterprise, COSEP, also appear.

Godoy explained to ACAN-EFE that the governing party "had the document published to pressure" the PLI which signed, along with four other parliamentary parties, a document demanding a "national dialogue."

The PLI president categorically denied that his party belongs to the UNO, a rebel alliance abroad, and he accused the Sandinists of "manipulating" information and "maneuvering" against the opposition. [passage omitted]

REPORT HITS HONDURAN SUPPORT FOR CONTRAS

PA042221 Havana International Service in Spanish 2300 GMT 3 Sep 86

["What the Press Has To Say" feature]

[Text] One of the most serious problems affecting Central America is undoubtedly the protection offered by the Honduran Government, with the close cooperation of the Pentagon and the CIA, to Nicaraguan counterrevolutionary groups, whose camps are headquartered [as heard] in Honduras.

An article by newswoman Marina Menendez published in the Cuban newspaper JUVENTUD REBELDE, unravels the apparent contradictions in statements made by the highest-ranking officials of the Tegucigalpa government, which is trying to pretend that it does not support former Somozist bandits.

If there were any doubt about the logistical support received by the counterrevolution through the Honduran Government, the visit by William Walker, U.S. deputy assistant secretary for Central America, dispels any such doubt. Marina Menendez adds that it also shows that Tegucigalpa yields to any pressure, especially when the pressure is accompanied by several million dollars.

The JUVENTUD REBELDE newswoman states that some politicians and observers thought that the purpose of Walker's visit was to fill the vacancy left by the departure of John Arthur Ferch, the U.S. Ambassador to Honduras who was fired. However, the presence of the Yankee envoy, even though it is surrounded by absolute silence, is meant to begin exerting pressure on Honduran President Azcona Hoyo to permit the training of the anti-Sandinists.

Newswoman Marina Menendez asks herself: Is it really necessary to try so hard to convince the Honduran president to allow the $100 million recently approved by the Yankee Congress to reach the Nicaraguan mercenaries? The commentator believes that only a few more will suffice to make Azcona bow down and join the flock of sheep gathered by the United States.

JUVENTUD REBELDE reports comments about the U.S. bases, mercenary camps, and other installations in that Central American country constituting a direct threat to Nicaragua are nothing new. That country is facing constant aggression from Washington and its obedient ally.

According to analyst Marina Menendez, President Azcona does not require a lengthy treatment to convince him. The following statement is enough to suggest how far the Tegucigalpa ruler can go: He once said, when one is poor, one cannot be dignified.

The article published by the Cuban paper clarifies what is actually taking place in Honduras: a dirty internal struggle to determine who will reap the benefits of the $100 million that will be handed to counterrevolution.

Recently, Rodolfo Zelaya, a well-known supplier to the mercenaries, whose residence was raided by the authorities, told the press that this action was carried out by intelligence chief Colonel Roberto Nunez Montes, who nurses an ambition to control the sale of supplies to former Somozists.

It is very difficult to believe the statements made by General Humberto Regalado.

In a recent subtle speech, he said that his government will not allow aid to the conterrevolutionaries to pass through its territory; he also said that it will not allow the entrance of military instructors into the country to train them.

Of course, the analyst says, Regalado's statement clashed diametrically with the truth. Observers who are much closer to the truth pointed out that President Azcona is tolerating the presence of the counterrevolutionaries, but does not authorize their actions. This catches our attention because the head of state will not be able to keep walking the tightrope for much longer.

COOPERATION, TRADE PROTOCAL SIGNED WITH CSSR

FL050120 Havana Radio Rebelde Network in Spanish 2300 GMT 4 Sep 86

[Text] Today in Prague, Cuba and the CSSR signed the final protocol on the coordination of national economic plans for the 1986-1990 5-year period. The document underscores the development of economic, scientific, and ktechnical cooperation and trade that will increase by 35 percent during this 5-year period compared to the last period.

Today Cuba also signed a contract within the framework of the Leipzig international fair through which it will supply the GDR with 134,000 metric tons of fresh citrus fruit this year.

POLITBURO MEMBER PRESIDES OVER CDR REVIEW MEETING

FL041439 Havana Tele-Rebelde Network in Spanish 1200 GMT 4 Sep 86

[Text] The organization and preparations for the third CDR [Committees for the Defense of the Revolution] Congress were analyzed in a CDR national directorate meeting that was presided over by Jose Ramon Machado Ventura, member of the Communist Party of the Cuba Politburo.

Upon summarizing the meeting, the party leaders said the discussions should focus on CDR problems and solutions.

BARBADOS

GOVERNMENT DECIDES TO REDUCE SUGAR PRODUCTION

FL031844 Bridgetown CANA in English 1355 GMT 2 Sep 86

[By Sandra Baptiste]

[Excerpts] Bridgetown, Barbados, Sept 2, CANA -- The Barbados government has made a firm decision to maintain its sugar industry, but the acreage under cultivation will be reduced, Agriculture Minister Warwick Franklin said today. I want it to be absolutely clear that Barbados is not going out of sugar, Franklyn told a news conference. He said the acreage under cane cultivation will be reduced from 32,000 to 25,000 and the production of non-sugar crops will be accelerated.

All we are doing in Barbados is rationalising and setting realistic goals for our sugar industry that would allow us to release some land together with the lands lying fallow for a leap forward in the diversification programme, the agriculture minister said. He said the ministry will be promoting and providing credit for the production of three categories of crops -- those which bring in foreign exchange, the main crops which constitute import substitution, and others for agro-industry.

Franklyn said in a move to reorient farmers away from the centuries-old sugar industry and ensure reasonable levels of production, a system of contractual farming and licensing of certain produce is being formalised.

Only last weekend St Vincent and the Grenadines Prime Minister James Mitchell said sugar production was uneconomical and suggested that Barbados make a firm decision on the future of its industry, which employs around 3,000 Barbadians. [passage omitted]

DOMINICA

DLP CONVENTION ON CENTRAL AMERICA, S. AFRICA

FL031851 Bridgetown CANA in English 1604 GMT 3 Sep 86

[Text] Roseau, Dominica, Sept 3, CANA -- A string of resolutions dealing with subjects as varied as peace in Central America and the performance of opposition senators in parliament here, were approved by the convention of the Dominica Labour Party (DLP) held here at the weekend.

Details of the resolutions, published here today, also called on the party to draft a code of conduct for its leaders, and urged the creation of a commission to devise [words indistinct] eliminating unemployment.

On Central America, the DLP expressed support for the Contadora peace process in which influential Latin American countries are working to find a peaceful solution to conflicts of the isthmus. The DLP called for an end to military manoeuvres in the region, and urged that the Caribbean be considered a zone of peace.

Another resolution called for the establishment of mechanisms that would allow DLP senators performances to be reviewed annually. If their performance is found to be unsatisfactory, the resolution urged that they be removed and others appointed in their place.

The DLP also affirmed its commitment to the liberation of South Africa from white minority rule, and urged the government to declare its unconditional support for immediate and comprehensive sanctions against Pretoria.

GRENADA

GRENADA'S ACCUSED LAYNE SAYS U.S. BEHIND TRIAL

FL020055 Bridgetown CANA in English 2241 GMT 1 Sep 86

[Excerpts] St Georges, Grenada, Sep 1, CANA -- Accused Ewart Layne, continuing his defence in the Maurice Bishop murder trial, today called the trial a fraud and denounced the presiding judge and some prosecution witnesses. This is a kangaroo trial and nothing else but that, the former army lieutenant-colonel and leftwing political activist told acting Chief Justice Denis Gyron. He accused the judge of sending body signals to the 12-member jury, and said some witnesses had prostituted themselves by telling lies under oath. [passage omitted]

Layne today repeated a charge made by most of the defendants that the United States was behind the trial because it wanted the remaining leaders of Grenada's Marxist revolution killed. [passage omitted] Continuing his attack on the United States, Layne said Washington saw the remaining Grenadian revolutionaries as representing a threat to what he said were the neo-colonial policies which it wants to implement in Grenada.

Criticising Chief Justice Byron for his handling of the proceedings, he said: You talk about dirty work, you do too much already. Court tricks, court craft...all that take place in this trial. He criticised the jury selection process, and alleged members were chosen by an opponent. This trial was rigged long before we came into this court on March 12, Layne said.

Layne, who began his defense last Friday, has accepted responsibility for the deaths of Bishop and the others because it was he who sent troops to Fort Rupert after Bishop had gone there with hundreds of civilians, after being freed from house arrest. He said the massacre at the fort was an immense tragedy for all Grenadians including himself because outstanding comrades had lost their lives. [passage omitted]

HAITI

DUVALIER REQUEST FOR RECONCILIATION DENIED

FL041559 Bridgetown CANA in English 1531 GMT 4 Sep 86

[Excerpt] Port-au-Prince, Sept 4, CANA-REUTER -- A published request for reconciliation with deposed Haitian president for life Jean-Claude Baby Doc Duvalier sparked an angry refusal today from the Caribbean nation's justice minister.

It is not everyone that agrees to be bought, said Justice Minister Francois Latortue, responding to a letter attributed to Duvalier which was published in the New York newspaper HAITI OBSERVATEUR. Latortue said no reconciliation was possible.

The letter was addressed to Lieutenant General Henri Namphy, the president of the new ruling National Council of Government (CNG). Since our disagreement will one day disappear, as always happens in history, why not hasten that moment, for the greater good of all? Duvalier telexed Namphy in a letter published three weeks ago.

The newspaper said Duvalier had hinted elsewhere he would consider negotiating for reconciliation by restituting part of a fortune based on the figure of 300 million dollars. Latortue said the CNG never received any proposal from Duvalier, adding that extradition of Duvalier for crimes against the people is not possible at present. The revolution is too close, and his return would create too much excitement, when what we want above all is peace. Haiti may try to extradite Duvalier after elections in November 1987, Latortue said. [passage omitted]

TRINIDAD-TOBAGO

MARITIME TRAINING AGREEMENT SIGNED WITH CANADA

FL1042149 Bridgetown CANA in English 2124 GMT 4 Sep 86

[Text] Port of Spain, Trinidad, Sept 4, CANA -- Trinidad and Tobago and Canada today signed an agreement under which Trinidadians will receive increased maritime training in Canada. The memorandum of understanding will put into effect the second phase of Canada's Maritime Training Assistance Programme (CMTAP) aimed at helping Caribbean countries improve the management of their exclusive economic zones.

Legislation giving Trinidad and Tobago jurisdiction over a 200-mile exclusive economic zone is now before parliament. Trinidad and Tobago's EEZ would overlap those of a number of neighbouring countries, making bilateral agreements with them necessary before jurisdiction is exercised.

The four-year programme will include formal training in Canada and within the Caribbean region in areas related to protection of fisheries, pollution control, search and rescue operations and regulation of marine traffic.

Canada and Barbados signed a similar agreement in Bridgetown last week.

TWO WOUNDED IN SUSPECTED REBEL ATTACK

FL041323 Bonaire Trans World Radio in English 1130 GMT 4 Sep 86

[Text] From the Caribbean comes the news of soldiers battling suspected rebels throughout the morning yesterday, in Eastern Suriname, leaving at least two wounded. Rebels led by a former army private Ronnie Brunswijk have clashed repeatedly with the army in recent weeks.

BOUTERSE CLAIMS BRUNSWIJK GROUP LOSING GROUND

FL042128 Paramaribo International Service in English 1730 GMT 4 Sep 86

[Text] During a meeting last night in the center of the 25th of February Movement, Commander Bouterse said the military authorities have analysed the latest actions carried out by the Brunswijk group and have concluded that it is loosing ground. Yesterday morning the Brunswijk gang was engaged in a 4-hour battle with soldiers of the national army and a military post at Albina along the border with French Guiana. Bouterse made it clear that where the Brunswijk gang is operating suggests that those who are supporting him have now withdrawn their support.

The Suriname army commander [word indistinct] Brunswijk was caught in a plan orchestrated by others without even realizing that he was being used. According to Bouterse, Brunswijk was forced to launch the attacks yesterday because of the expiration of two [word indistinct] of a memorandum he gave to the government to which the latter did not react. Obviously, he did not benefit from the ultimatum, said Bouterse.